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Alia Meets Trade Union Representatives

AU0309144791 Tirana ATA in English 0832 GMT 3 Sep 91

[Text] Tirana, September 3 (ATA)—Recently, at the request of Trade Union Confederation of Albania, a meeting was held with the president of the republic, Ramiz Alia.

They spoke to the president on the actual problems preoccupying the working people. In particular they asked that the opinions of the working people and that of the Trade Union Confederation on the social assistance should be taken into consideration. In the meeting they stressed to the president that the government should consider this problem seriously. Alongside the reduction en masse of the working places the public opinion should be also informed of the opening of new working places. The remarks that the Confederation has put forth with regard to the social assistance have not been taken into consideration.

The representatives of the Confederation stressed that the government is not behaving correctly regarding the statement signed by the two parties on the time limit of the adoption of the law on the collective contract and the law on the trade unions. They asked the president to intervene with regard to these problems with the government so that the measures on the application of the economic reform serve stability and tranquillity. The president promised he is going to contribute to the solution of the set problems.

Council of Ministers Discusses Economic Bills

AU0109192591 Tirana ATA in English 0827 GMT 1 Sep 91

["From the Meeting of the Council of Ministers: The First Package of the Draft Laws and Decisions to Start the Application on a Broad Scale of the Economic Reform Examined" — ATA headline]

[Text] Tirana, September 1 (ATA) — The Council of Ministers is intensively going on with the work to hammer out the program of the economic reform to be submitted for approval to the People's Assembly with the opening of its second session. These days, from August 28-30, the government members presided over by Premier Ylli Bufi, examined the first package of the draft laws, draft decisions and draft instructions regarding the application on a broad scale of the economic reform. The program will be discussed with the representatives of the political parties and the trade union leaders prior to its submission to the parliament for approval.

The first package of the draft laws and draft decisions for the application of the economic reform includes important problems of privatisation, prices, currency exchange rate, import-export etc.

Implementing the law "on sanctioning and defending private property, of free initiative and independent private activities", the Council of Ministers adopted the decision "on the tasks and rights of the National Agency of Privatisation and Preparatory Commission of the Privatisation Process". The National Agency of Privatisation will be set up at the Council of Ministers, as an executive organ specialised in running, organising and coordinating the work for the process of privatisation.

The Council of Ministers discussed about the organisation of the work and the realisation of selling the state property to by auction. [sentence as received]

In the latest meeting, the Council of Ministers examined the draft law "on the privatisation of the state dwelling houses". This draft law, which will be soon submitted for approval to the People's Assembly, envisages that the real value of the state dwelling houses be distributed to the inhabitants in the town and countryside. The law envisages that the state dwelling houses in the countryside be given to their inhabitants free of charge.

After discussing about the draft decision on [word indistinct] competences of prices and tariffs, it adopted the decision of liberalizing them.

Upon the proposal of the Electric Energy [word indistinct] Department, the Council of Ministers adopted the decision "on changing the sale price of the electric energy", to be enforced on October 1, 1991. According to this decision, in order to stimulate cooking and water heating electric energy, the sale price of the electric energy to be used by the population in the town and countryside will get lower.

Upon the proposal of the Mining and Energy Resources Ministry, the Council of Ministers approved the decision "on fixing the retail sale price of the fuels and lubricant oils."

It also examined some draft laws and draft decisions related to the reform of the financial system. It discussed about the draft law "on some changes to the laws for the Albanian state bank and the agricultural bank" to be sent for approval to the president of the Republic.

To back up the economic reform in the countryside, in the new conditions of land privatisation, the Council of Ministers adopted the decision "on reorganising and expanding the agricultural bank". According to this decision the agricultural bank will be detached from the state bank, and will function as a trade bank of second level, (?organisation) its own account.

Upon the proposal of the Ministry of Finances, the Ministry of Economy and the Albanian state bank, the Council of Ministers adopted the decision "on the currency exchange rates". This decision defines that the monetary unit ECU be taken as a basis in accounts for buying and selling foreign currencies by our banks.

At the beginning the exchange rate for all operations in currency (trade or [word indistinct]-trade) will be 25 leks per

1 US dollar or [figure indistinct] leks per 1 ECU. This decision replaces the system of some exchange rates, applied in our economy before, with a single exchange rate, which places on equal footing all the Albanian or foreign physical and juridical persons, who conduct an economic activity and who will make exchange transactions in foreign currency with our country, which is one of the conditions of a transition to the market economy. On the proposal of the Ministry of Finances and the Albanian state bank, the Council of Ministers adopted the decision that remittance from abroad in the name of the Albanian citizens be completely available for them. The Albanian citizens have also the right to save money in foreign currency in the bank, guaranteed of taking [word indistinct] it at any moment.

The Council of Ministers adopted a number of decisions on export and import. On the proposal of the Ministry of Foreign Economic Relations, the Council of Ministers adopted the decision "on the export-import regime". According to it, export from the Republic of Albania and import to the Republic of Albania is free except for those commodities which need licences by the Ministry of Economy and the Ministry of Foreign Economic Relations. On the proposal of the Ministry of Foreign Economic Relations, the Council of Ministers adopted the decision "on the opening of representation offices abroad by Albanian physical and juridical persons" who conduct activity in foreign countries in the fields of investments, trade, banks, etc.

The Council of Ministers examined a draft decree on the customs' taxes for the import of goods, which envisages that all state or private subjects that carry out activity for the import and transition of the commodities in the country's territory should pay customs' import taxes. The draft decree defines also the exceptions from this tax.

On the proposal of the Ministry of Finances, the Council of Ministers adopted the decision "on the allowance of private trade activity in small proportions. This decision aims at controlling this trade activity, in order that it be applied only for a group of defined goods, including here things for personal use and a special group of food items. According to the decision, the selling of these commodities is limited to a daily sum of 10,000 leks.

The package of the above draft laws, decisions and instructions examined by the Council of Ministers in its recent meetings will be published by our press organs soon.

Berisha Sees War With Serbia Over Kosovo

AU0309075691 Hamburg DIE WELT in German 31 Aug 91 p 5

[Boris Kalnoky report: "Threat in Albania: You Will Fare As Badly As Gorbachev"]

[Text] Tirana—During the attempted coup in the Soviet Union, the Albanian secret police became active again. In an interview with DIE WELT, Sali Berisha, chairman of the Democratic Party, said that during those days, members of the opposition were being massively intimidated. "We received threatening phone calls, which said that we should look at Gorbachev, and the same thing would soon happen to us, too," the head of the strongest Albanian opposition party said, adding that many people also found photos of former chief of state Enver Hoxha in their mail. "That shows how unstable democracy still is here and in other Eastern European countries." However, regarding the recent developments in Moscow, Berisha does not see the danger of a coup in Albania.

However, the opposition leader is expecting a war with Serbia for the province of Kosovo, which has an Albanian majority. Berisha accuses the "crypto-communist" leadership around President Alia of preparing a war together with Serbia. "They have the same interests," said Berisha. "Albania's communists are concerned about losing power in the elections next spring. They want to rally the nation behind them by war." Politically, the forces surrounding Alia are close to the Serbian camp, says Berisha. "Serbia for its part wants war, in order to destroy Albania and solve the Kosovo problem as long as this is possible."

According to Berisha, the beginning of an armed conflict was already planned last week; it was, however, stopped because of developments in Moscow. "We have evidence that Alia, together with the Serbs, wanted to provoke a massacre in Kosovo. After that, the mountain tribes in northern Albania were to be incited to cross the border, in order to force the Serbian Army to intervene. That would have been the beginning of war."

Berisha said that the Kosovo problems should be resolved politically "in line with the Helsinki convention." He said he was grateful for the great interest shown by the German Government and Foreign Minister Hans-Dietrich Genscher, whose views he fully shares.

Berisha said that reconstruction in Albania was "impossible as long as the old potentates are in office." "Only after the present coalition government has been replaced by an entirely democratic leadership, can there be investments of Western firms," he says. The opposition has been massively hindered by the state television and state radio. "Therefore, we demand the resignation of radio director Fatmir Kumbaro, who was a member of the Communist Party Central Committee and then had a position at the Institute of Marxist-Leninist Studies," says Berisha. However, for all the obstruction, the opposition will win the elections next spring. The opposition has above all won sympathies in rural areas because of the land reform of the coalition government.

Berisha says that "the people have realized that private property is sacred to us. They are beginning to have a

political awareness, and they have seen that they can achieve something if they fight for their interests."

The opposition leader is making efforts, so that new elections are held in November, instead of in the spring. "The Albanian economy, the Albanian people cannot wait another eight or ten months to see the first silver lining on the horizon." However, the people do not seem to be very interested. At a function organized by Berisha that was intended as the beginning of the election campaign no more than 4,000 followers appeared in the football stadium in Tirana a week ago.

In any case, the Albanian parliament will have a different composition after the next elections. Whereas only Berisha's Democratic Party is represented there now, in addition to the governing Socialists, the introduction of proportional representation will also ensure seats for the Republicans and Social Democrats. The newly founded National Democratic Party also hopes to be successful. This party allegedly wants to bring the Albanian successor to the throne, Leka, to power, who seems to have little sympathies among the people. However, this dynasty is not deeply rooted historically. At the time he was prime minister his father nominated himself king.

Public Order Minister Yzeiri Visits Romania

AU0309195891 Tirana ATA in English 1808 GMT 3 Sep 91

[Text] Tirana, September 3 (ATA)—Bajram Yzeiri, Albanian minister of public order, arrived on an official and friendly visit in Romania on September 2. In the border point of the district of Giurgiu he was welcomed by the chief of the protocol at the Romanian Ministry of the Interior, Colonel Ion Dimiu, and Colonel Mircea Cojocaru, chief of the police of the district.

On September 2, the minister of public order, Bajram Yzeiri, and the delegation headed by him were received by the Romanian minister of the interior, Doru Viorel Ursu; the state secretary, General- Lieutenant Dumitru Periciuc; the state secretary and chief of the Police Department Ion Georghe Dinescu, and other officials. During the meeting both sides exchanged views on the possibilities of cooperation between the two ministries with regard to the maintenance of order and tranquility. The two ministers expressed their satisfaction over the positive steps taken with regard to the development of relations between Albania and Romania and the desire to further strengthen them, something which also responds to the desire of the two peoples to forge ahead the democratic processes.

Democratic Party Demands Former Leaders' Trial

AU0309200291 Tirana Radio Tirana Network in Albanian 1800 GMT 3 Sep 91

[Text] The Democratic Party's branch in Vlore organized a rally of its members and supporters and of other opposition political forces in the Square of the Flag yesterday afternoon, demanding the appearance of former high-level party and state officials before the courts.

Afrim Jupi, chairman of the Democratic Party's district branch, pointed out in his opening speech the role of the Democratic Party in the struggle against the 47-year-old monist dictatorship, and demanded thorough administrative reforms from the center to the grass roots, the appearance before the courts of former party and state leaders, the dissolution of the State Security Service, and a reinforcement of the forces of order in order to eliminate the tendency of certain forces to hamper democracy. He also supported the statement of the three opposition political parties and the demands of the Union of Independent Albanian Trade Unions addressed to the National Stability Government.

Dr. Sali Berisha, chairman of the Democratic Party's Managing Committee, also spoke at the rally. He pointed out among other things the Democratic Party's continual struggle for the victory of democracy and stressed that incessant rallies, strikes, and demonstrations are essential for democracy and the extermination of communism. The Democratic Party, he said, thinks that democracy in Albania stands at a crossroads, and therefore calls for the support of democratic forces in order to foil the aims of extreme leftists and cryptocommunists. He later dwelt on the events in the Soviet Union, which are a good lesson teaching us to persist in the struggle against communism as a struggle for Albania, for our souls, and for our lives. After pointing out the democratic ideals of the people of Vlore, expressed in different periods of history, he said that in Vlore too the cryptocommunists tried to repeat the massacre of Shkoder, and are today trying to divide the people and to exploit the Cam problem for their own ends. However, the Cams have been and remain anticommunist, and the Democratic Party was the first to raise their problems. In conclusion, Dr. Sali Berisha spoke about the culprits for this year's exoduses, the need to create a law-governed state, the need to restructure the television as an instrument of democracy, and the position of the Democratic Party in relation to the Socialist Party.

Nasip Xhelili, representative of the Republican Party's district branch, Ferdinand Xhulaj, representative of the Union of Independent Trade Unions, and Arben Imami, member of the Democratic Party's Managing Committee, also greeted the rally.

At Sali Berisha's suggestion, one minute's silence in honor of the martyrs of democracy was observed in the course of the rally.

Kozloduy Reactor Switched Off; Shutdown Denied

AU0409110991 Sofia BTA in English 1046 GMT 4 Sep 91

["Kozloduy N-Plant Modernization Starts"—BTA headline]

[Text] Kozloduy, September 4 (BTA)—Early this morning Unit 1 of the Kozloduy Nuclear Power Plant was switched off from the power system. Mr. Zakhari Boyadzhiev, deputy chairman of the Nuclear Power Engineering Economic Corporation, explained that this is not the beginning of the partial closing down of the plant but the beginning of the implementation of the project for enhancing its security. How long the modernization of Unit One will continue and how much it will cost is still to be clarified. But it will be carried out according to the World Association of Nuclear Operators (WANO) project for bringing nuclear reactors of the WWER-440 type in line with European criteria and standards. For the time being the modernization will be carried out by Bulgarian experts and Bulgarian companies. But the West European countries have also promised to render assistance.

President Zhelev Continues Visit to Germany

Meets Baden-Wuerttemberg Head

AU0309202091 Sofia BTA in English 1914 GMT 3 Sep 91

[Report by special correspondent]

[Text] Stuttgart, September 3—Mr. Erwin Teufel, minister president of the Federal State of Baden-Wuerttemberg, welcomed President Zhelev in Marbach. In his welcoming speech Mr. Teufel spoke about the common European future of Bulgaria and Germany—two countries which have been linked for centuries. He recalled that back in 864 AD the Bulgarian Tsar Boris and King Louis the German made a treaty of friendship in Tulln on the Danube. He went on to say that the first German consulate in Ruse was opened in 1790 and the first Bulgarian newspaper "BULGARSKI OREL" appeared in Leipzig in 1866. The minister president said that the experts in Baden-Wuerttemberg were ready to cooperate with their Bulgarian colleagues, above all in farming. A plan for future specific negotiations was outlined. President Zhelev and Minister President Teufel had a long tete-a-tete talk.

Yesterday and today the German media have been providing extensive coverage of Dr. Zhelev's visit, headlining the readiness to help Bulgaria carry on its reform which was expressed by Dr. Weizsaecker. Several TV channels report every stage of Dr. Zhelev's schedule with half an hour's delay at the most. The "FRANKFURTER ALLGEMEINE ZEITUNG," the "SUEDDEUTSCHE ZEITUNG," "DIE WELT" and "HANDELSBLATT" ran despatches from their own correspondents or quoted the reports of Reuters, the Agence France Presse and the DPA. For their part, "DER TAGESSPIEGEL" and the "BERLINER MORGENPOST" covered in detail the toast speeches which the two heads of state made in Berlin yesterday.

Further Reportage

WA0309164391

For German reportage on the visit by President Zhelyu Zhelev to Germany, including reports on his talks with German President Richard von Weizsacker, see the Germany section of the 3 September West Europe DAILY REPORT and subsequent issues.

Soviet Envoy Views Future Economic Relations

AU0309074191 Sofia SVOBODEN NAROD in Bulgarian 28 Aug 91 p 1

[Report by Aleksandur Karaangelov: "Time Does Not Wait for the Economy"]

[Text] In addition to its political dimensions, the attempted coup in Moscow also has its economic consequences. As Mr. Dimitur Popov revealed at his news conference, the talks that were supposed to take place in Moscow on 22 and 23 August have been postponed. Three issues were to be resolved in Moscow: the lists of the trade exchange, the barter deals, and the two countries' currency payments. For the time being, the fate of the Moscow meeting and the future of the new Soviet-Bulgarian economic structures are unclear. It is known to all how essential for our country the contacts with the Soviet raw material and commodity markets are, especially now, on the eve of winter. Therefore, we asked Ambassador Sharapov to comment on Bulgarian-Soviet economic relations after the dramatic events. This is what he said:

"The production decrease in Bulgaria and the USSR is the main reason for the decrease in mutual trade exchange. Naturally, the coup negatively affected our trade possibilities.

"The question is: What should be done? When the Bulgarian Government presented its position on postponing the visit of the delegation to Moscow, we agreed with the reasons for postponing the visit. However, we also talked about the period after the events and about meetings of experts and state delegations. Unfortunately, there is at present no government in the USSR. There is no organ in charge of specific economic directions. I think that for the time being one must await the formation of a new leadership. However, time does not wait. Precisely now our country needs goods, which Bulgaria can supply. This is a matter of mutual economic interest."

BSP's Dimitrov on Party's Reaction to Coup

AU0309101691 Sofia DUMA in Bulgarian 28 Aug 91 pp 1, 6

[Interview with Academician Ilcho Dimitrov by DUMA correspondent Krasimir Tomov; place and date not given: "Democracy Emerged Victorious in Clash With Conservatism"]

[Excerpts] Since 19 August, events in the USSR have developed rapidly. It seems that, within a few moments, history traveled from the radical point at which the USSR found itself during the coup to the place Gorbachev had tried to reach in six years of painful reforms. The great country experienced a shock similar to the one of 1917. It appears that the empire created by Petr I, Lenin, and Stalin will collapse at any moment. [passage omitted]

[Tomov] The reaction to the Soviet events, and, especially, the reaction of the Bulgarian Socialist Party [BSP], prompted many commentaries. Is there a real danger of similar "restoration tendencies" in our country?

[Dimitrov] I could hardly imagine that even the most eager supporters of the coup participants in our country could imitate them. We already are an integral part of Europe. We have steadily embarked upon the road to democracy. I am deeply convinced that a political system can no longer be imposed on our country from outside.

Now the opposition, led by election considerations, is insistently utilizing the BSP position. I studied the position of the BSP Supreme Council after the coup. I, too, found it alarming, especially after the coup failed. I must admit—I had certain objections vis-a-vis certain statements of the president. I have the impression that he reacted in an overly emotional manner, more like a party leader. Lilov, on the other hand, was cautious, as if he were the head of state. However, now that the events are behind us, the emotional attitude of the president seems to have lost its significance.

[Tomov] What prompted the "cautiousness" of the BSP leadership? This is especially interesting against the background of the fact that many ideological streams in the party clearly expressed their opposition to the coup at the very beginning of the events.

[Dimitrov] As a state, we have no choice but to preserve our relations with a neighboring superpower, regardless of who leads it. However, a political party also has an ideological and political position, which should not be affected by the twists of international life.

It was not the lack of information that prompted the party's reaction. There are forces within the BSP that base their hopes on delaying developments. They are a minority, but, under certain circumstances, they represent a part of the general image. They have their roots, but they draw their power from outside. the radical rightist forces within the Union of Democratic Forces, with their slogans for revenge, judicial retribution, and so forth, strengthen the position of certain BSP members. Afterward, this position is used to to prove that the BSP does not change.

A clear and categorical position is necessary—no retreat from democracy, regardless of the circumstances. People who harbor other hopes should understand that the BSP is not their party. The BSP cannot be the party of social and political nostalgia. Many people see the BSP as a synonym of consistency, security, and stability at a changing time. I do not deny this side of the party's orientation. However, it is and must be, first of all, a symbol of change. This is the main factor that will determine its future.

Lukanov BSP Presidium Resignation Letter

AU0209120391 Sofia DUMA in Bulgarian 29 Aug 91 p 6

["Text" of letter from Andrey Lukanov to the Presidium of the Supreme Council of the Bulgarian Socialist Party, written in Sofia on 27 August: "Andrey Lukanov Resigns From Presidium of Supreme Council of Bulgarian Socialist Party but Remains Firm Champion of Party's Reform Mission in Society"]

[Text] Comrades, however hard we try to put behind us the dramatic days of 19, 20, and 21 August, it will be impossible.

These days will weigh heavily on us because our position gave cause for new fierce attacks against the Socialists. This comes as no surprise: Even before 19 August, we were aware that the coming election campaign would be a dirty one without rules. The Bulgarian right wing bears out these expectations. While making absurd accusations against the Bulgarian Socialist Party [BSP] that reach almost the level of involvement in the Moscow coup, the right wing beats its own record of amorality and cynicism. It is comic to witness the sudden rush to idolize Gorbachev and Russia by people who, until a few days ago, had openly demonstrated that they were ready to ruin Bulgaria if it meant "breaking away" from their traditional eastern partner. All of this will blow over. People are not blind or deaf. They know very well that the political line of the BSP after 10 November 1989 is in itself a denouncement of the thoughts, actions, and social character of those who carried out the coup.

However, it will be more difficult to forget the appearance of our collective leadership's inability to react adequately to the state crime committed in Moscow, to weigh immediately and unhesitatingly the historic lack of prospects of any attempt to prevent or hinder the final historic collapse of Stalinism as a system. There can be no moral justification for our not immediately coming out clearly and categorically in defense of Mikhail Gorbachev, a man to whom the world and Bulgarian democracy owe so much.

As the development of events has shown, our wait-and-see policy of 19 August was not the most adequate, but it was nevertheless explicable. The lack of a collective position on 20 August and the Presidium's refusal to issue an immediate announcement on 21 August at the decisive moment when the coupists and the forces of democracy clashed cannot be explained or justified.

Our consequent actions demonstrated that this was not an episode that happened by accident. On Saturday [24 August] and Monday, there were continued attempts to prove that our reaction was adequate and to present it as evidence of superior political wisdom. The proposal at the legislative session on 26 August for an assessment of our conduct from 19 to 21 August was thrown out. In this case, servility played its role. However, this is not the main reason we do not wish to look at things as they are. This position logically follows from the inability of the party leadership's present leadership to continue steadily and uncompromisingly along the road of changes the party began and championed after 10 November 1989. We will not conclusively become a modern European left-wing party, nor will we acquire the status of a full member of the Socialist International if we continue to play around with the conservative elements in the party, if we do not rid ourselves forever and completely of the reflexes and legacies left over from bolshevism.

What is stated above does not aim to depreciate the huge changes that have taken place in our party, its unquestionable and decisive contribution to the country's democratization, to its peaceful transition to a civilized and free society. However, we cannot rest forever after 10 November on our laurels. Time demands of us new confirmation of our reforming nature and our will to change because Bulgaria needs us, and it is our duty as the country's most influential political force to be consistent to the end in defending democracy, its ethics, and political and constitutional foundations.

I take responsibility for the inadequate conduct of the party's collective leadership during those fateful days. Personal points of view have no decisive significance here. What I categorically do not accept is the attempt, a week after the event, to claim that nothing in particular happened. Such attempts are not only dishonest but also suicidal for the party. I do not believe that it is possible for me to participate any longer in such discussions, and that is why I decided to resign from my post as deputy chairman and a member of the Presidium of the Supreme Council of the BSP.

The fact that I am leaving the leadership's present membership has nothing at all to do with my attitude toward the party, to which I feel intrinsically bound. I will continue to serve it with all my strength because I hold strong convictions about socialist ideas and the reform mission of the Bulgarian Socialist Party as a democratic, national, and political force.

Yours respectfully,
Andrey Lukanov
Sofia, 27 August 1991

Lilov on BSP Election Strategy, Moscow Coup

AU0309170791 Sofia DUMA in Bulgarian 30 Aug 91 p 4

[Article by Aleksandur Lilov, chairman of the Supreme Council of the Bulgarian Socialist Party, BSP, dated 28 August: "Even Greater Self-Renewal—Unity—a Growing Role in the Democratic Processes"]

[Text] This is the true path for the Bulgarian Socialist Party [BSP] today.

This is the path that leads to the temple. Why?

We are already into the election campaign. Political work among the voters is the most important task at present, not internal party polemics. The election campaign stopwatch is running. Time is ticking by quickly. The party must focus its whole attention on the elections. It must listen to the electorate's opinion of its year's work in the Grand National Assembly and of its election campaign platform. It must argue with its opponents and not itself. It must unite to increase its political influence, prestige, and confidence.

It is more sensible to postpone internal discussions for a month. However, because there are those who desire discussion, it is not fatal, even at the moment. We are a democratic party in the process of self-renewal. Let the differences be known, old and new, and the people who adhere to them. I do not rule out the fact that this may act as a catalyst and arouse party thinking and achieve greater clarification of matters and people; it may have the opposite effect of splitting the party. Whoever hopes for sensational changes lives with illusions. The BSP will remain the most influential half-million-member party in Bulgaria. This is a certainty.

At present, I will not participate in polemics. I will do that later, when, as I understand it, it will be of more use to the party.

My opinion of the present situation is as follows: **The most important aim of the party at present is to achieve success in the elections.** This is the common denominator of all our efforts. This should unite the party and expand the coalition with other political forces. All the remaining party activities should lead to that goal. Therefore, I intend to explain **in a positive manner** my ideas on some of the most important problems the BSP is expected to cope with during the election campaign. The situation in our country is characterized by high political and social tension, which is likely to increase. Production is on the verge of collapse. The people are becoming increasingly impoverished. Confrontation is growing. A very controversial and—judging from the activities of most opposition parties—an even extremely

dirty election campaign is expected. Political extremism threatens our country with destabilization.

The situation was further exacerbated as a result of **events in the Soviet Union.**

Our evaluation of such events is clear. What can be described as its most characteristic traits?

As far as our specific approach is concerned: We can say that we based our evaluation on the development of events in accordance with specific facts and trends. This is how all mature parties and states throughout the world acted. It was not a delay but an expression of our sense of responsibility; it was not a mistake, but an expression of political priorities. We reacted in accordance with the course of events and of our information about them.

As far as our general attitude is concerned: Our evaluation of events can **so far** be classified into the following basic tenets:

- An attempted coup for the restoration of a reactionary, neo-Stalinist regime took place in the Soviet Union;
- The democratic forces, born from perestroyka, blocked the road to the coup and foiled its success;
- Perestroyka needs a new stage of development—conservatism should be overcome, reform should receive a new impetus, and the vital problems of society, of the state, and of the citizens should be resolved;
- Gorbachev's role in the incipient policy of perestroyka, in the world's innovation, in international relations, and in political thinking should be recognized in its historical dimensions and importance;
- Russia and Boris Yeltsin, its president, played a decisive role in bringing about the failure of the coup. The role of numerous other republics is also great;
- The processes and events in the Soviet Union continue to be complicated, contradictory, and dynamic. They are still unsettled in many respects and likely to cause further concern. The dangers of dictatorship and bloodshed have not been overcome;
- It is only through democratic means that democracy can be achieved in the Soviet Union. We can support neither the neo-Stalinist conspirators nor any other unconstitutional or undemocratic forces.

The BSP will continue to watch the events in the Soviet Union closely and develop its own views on them. We are expecting prompt and radical reforms within the CPSU. However, we cannot support the party's ban. Political pluralism is the universal and most characteristic feature of democracy. We are convinced that the most important thing is to avoid civil war and bloodshed and to ensure a peaceful transition to democratic society in the Soviet Union. Our party will work for the development of new mutual relations with the great Soviet state, for the preservation of friendly feelings and spiritual links between the Bulgarian people and the Russian, Ukrainian, Belorussian, and all other peoples.

We resolutely reject the political speculations of the opposition on the subject of the coup. It sounds strange and even indecent that those who until recently used to attack the Soviet Union and Gorbachev with the most outrageous insults should now lecture the BSP on how to defend them.

Lessons of the Soviet Events for the BSP and the Development of Democratic Processes in Our Country

We should stress that democratic processes in Bulgaria began under the influence of "perestroyka" in the Soviet Union. Nevertheless, the situation in our country is not the same as in the USSR. The state of the BSP and the processes within the party are not the same as those of the CPSU. Our party has made considerably greater progress in its renewal and development as a modern, left-wing party, inspired by socialist ideas.

The most important lesson of the recent events in the Soviet Union is the following: **There should be no delay in the reforms and no underestimation of extremist and revanchist forces.** The price of both mistakes is much too high. It would require the greatest sacrifice from us—namely, to pay for it with the blood of a fratricidal war.

Therefore, we should draw the following conclusion: **A green light for a realistic development of reform complemented by reliable barriers against political extremism.**

The success of the coup would have involved dangerous consequences for the world, for Europe, and, especially, for Eastern Europe—Bulgaria included. This would be a step backwards with unpredictable consequences, irrespective of the question of whether it appears in the form of a comedy or a drama.

As far as the processes in Eastern Europe and Bulgaria are concerned, they have gone very far. They are irreversible. Only adventurers could rely on the opposite. Considering the current realities in Bulgaria and Europe, there can be no question of a return to the past. The forces of democracy are prevailing over the forces of revanchism and restoration.

Nevertheless, the danger of possible attempts at dictatorship or authoritarian government has not been eliminated. If we analyze the situation in Bulgaria, we will see that such a danger does not stem from the BSP. This was practically confirmed over the last two years, following 10 November 1989. Our party clearly distanced itself from those members who supported the coup in the Soviet Union.

Right-wing political extremism is the source of this danger today. The dangerous forces are those that are trying to provoke chaos and demand the dissolution of the Grand National Assembly, those that fought against the adoption of a new democratic constitution and committed illegal acts. They are the greatest threat to democracy in our country.

The BSP must pursue its work for the consolidation and intensification of the democratic processes in our country.

This is our path and our response to the "hysterical accusations of the Union of Democratic Forces [SDS] against the BSP related to its alleged conspiratorial activities." Who would believe that the BSP, which voluntarily renounced its monopoly on power for the sake of political pluralism, and, instead of taking advantage of its majority in the legislature, promoted a coalition government of national consensus, the party that defended the legislature and so greatly contributed to the adoption of a new democratic constitution, is preparing a coup? You are underestimating the memory and common sense of the people, gentlemen!

Socialists and BSP voters, you should not be afraid of the SDS attacks. They are rude, but they show a lack of political strength. Being incapable of defeating us in a free, democratic, and fair election, they are choosing the methods that are well known from the past. We are witnessing an interesting paradox. While we of the BSP are increasingly distancing ourselves from our Bolshevik past, the SDS members are increasingly acting in a Bolshevik manner—both internally, in their relations with their own partners, and in their relations with their political opponents.

This shows that there are not enough democrats within the SDS.

Our Alternative

The BSP election platform is the socialist alternative for the development of reform in our country. Through the election platform, we are answering the most critical questions that Bulgaria and the Bulgarian citizens are asking us today, and we are proposing specific solutions.

We have a specific and positive program; this is the source of our strength. Our program provides better solutions for the benefit of the state and the benefit of the citizens.

This is the specific program we are submitting to our voters.

Our program is not an accumulation of slogans, but an unmistakable alternative. Its essential points are:

- Civic Peace
- Personal Safety and National Security
- Law and Order
- Revival of Production
- Social Protection
- National Consensus

This is not only an election platform realistic and competently drafted by highly professional specialists and experienced campaigners. The advantage of our election platform is that it can be immediately transformed into a government and legislative political program after the election.

We are convinced that a coalition government is likely to guarantee the most effective administration of our country. It would rely on broad nationwide and legislative support. Nevertheless, we are resolved not to repeat the mistake of 1990.

We have learned from last year's lessons. The BSP is ready to take its responsibilities in both the government and the legislature. The more so because we will not run alone in the forthcoming election but in alliance with other political parties.

Our Election Campaign

It is our firm intention to conduct a tolerant and civilized election campaign. We will not allow any aggressive behavior or an attitude of totalitarian intolerance toward our opponents; we will not slander them. However, we will resolutely react against similar attacks when they are addressed against the BSP.

Let the gentlemen who rely on a "dirty" election campaign and on the "psychology of intimidation" not delude themselves. The Bulgarian voter is alert and knows about the price and the results of political and moral arrogance. The BSP cannot be intimidated. It cannot be defeated with lies, manipulations, and totalitarian intolerance by its political opponents.

Our task as a party is to submit our evaluations and alternative solutions to each of our constituents. It is our duty to react immediately against any attempt to deny the people's achievements throughout the decades following the victory over fascism and to slander the innovated BSP, which is in the process of renewal.

The truth about the past and our capacity for proposing better solutions for the present—these are the guarantees for our success in the election campaign.

Three Absolutely Necessary Conditions

If we are resolved to win our voters' confidence and to make decisive progress, we should observe the following three conditions:

The first is to intensify the nature and accelerate the pace of the party's renewal. The elections are by no means an obstacle to our process of renewal, but, on the contrary, an incentive in this respect. All forces engaged in the reform, the great reformist currents, should be even more broadly expanded and act with even greater effectiveness. They should not talk but act. **Working reformers are required today.**

The conservative forces that have recently intensified their efforts as a result of certain events in Bulgaria and abroad are also obstructing the renewal. The same applies to the fake reformers who are pursuing the party's reform for their own selfish goals.

The second condition is that we should preserve the party's unity. It should be a new kind of unity based on democratic principles, but it should also be a genuine political and organizational unity. I am convinced that the party cannot be split. This danger is over. New

groups may separate themselves, but their positions are not enviable, as experience has shown. I am convinced that the party cannot be melted. Certain people's hopes that the BSP may dwindle to a "pocket-size, left-wing party" or to the party of "red grandmothers" are in vain considering our half-million-member party, which consists of 123,000 young members, 250,000 members of employable age, and 130,000 pensioners.

However, the party can be weakened if its unity is destroyed. This is a real danger. It should also be overcome. How? I am convinced that it can be overcome only on the basis of principle: by accepting a variety of opinions, even different ideological currents, and a majority of alternative solutions. Yes, life has confirmed this stand of principle. On the other hand, we should eliminate internal partisan struggles, subversive plots, and demagogic attitudes. Such destructive elements are dangerous for the party.

The third condition is that we should strictly observe our commitments based on the election platform. The party needs courageous and honest politicians, who should competently implement the party's policy through real acts. This should apply to all activities—in the legislature, in the government, and in other state and social functions. Such people have already emerged in the development of democratic processes in our society and in the course of the party's innovation.

Let us send the best representatives of our party to the National Assembly. **Let the new face of a new BSP present itself in the legislature, in ruling the state, and, later on, at the BSP congress.**

The Congress

It has been decided that the congress should take place after the election.

The congress is called upon to play the role of a watershed in the party's renewal, and this is how it should be prepared. The congress should not be the place where personal ambitions are fulfilled, but an event that is capable of responding to the party's overall needs for innovation.

Numerous problems of all kinds have been accumulated. They can only be resolved at the party congress. It will resolve them.

Let us all prepare for the 40th BSP Congress, the watershed congress.

Let us all prepare to join the congress with new ideas, with alternatives, with a critical approach, even with accusations, but with strong cadre proposals; let us put our minds and hearts into this congress.

In preparing for the congress, let us work as much as possible, as honestly as possible, to preserve and further develop our achievements of the last, unusually difficult, years. They were filled with the events of an entire era, and we had to survive them within such a short period of time.

Let us all remember that the **elections** are a supreme test for the party as a whole and for each of us as individuals.

28 August 1991

'Europe' Platform Leaves BSP Faction

AU0309090391 Sofia DUMA in Bulgarian 30 Aug 91 p 2

[DUMA PRESS report: "'Europe' Social Democratic Platform Discontinues Participation in BSP Faction"]

[Text] The "Europe" Social Democratic Platform has discontinued its participation in the faction of the Bulgarian Socialist Party [BSP], a declaration of the platform published on 29 August reads. The declaration points out the "inadequate, wait-and-see, and ambiguous position" of the BSP Supreme Council Presidium toward the attempted coup in the USSR as the reason for the decision. According to the declaration, that position radically contradicted the convictions and reaction of hundreds of regular members and supporters of the party.

The declaration points out that the platform's warnings already in June concerning "the guilt of the party leadership for practically stopping the renewal of the party and not reassessing relations with the CPSU" have been confirmed.

Lilov Denies Possibility of Split in BSP

AU0309182591 Sofia BTA in English 1503 GMT 3 Sep 91

[Text] Sofia, September 3 (BTA)—"There is no split, it is not expected and it is not possible," Mr. Aleksandur Lilov, leader of the Bulgarian Socialist (ex-Communist) Party, told the Socialists' regular news conference today. He believes that even after the elections a split in the Bulgarian Socialist Party [BSP] is impossible. In his view, a split was possible two years ago, when the Communist Party was in a stressful condition, in an organizational and personnel crisis, without a platform.

In Mr. Lilov's view, what is possible is the breakaway of groups, differences on certain matters, and pre-congress debates after the elections. Individual members may take their own personal decisions and political steps, they will not face political and organizational sanctions, the BSP leader said, emphasizing that isolated cases will not be dramatized. "We concentrate on the elections," he said.

Last week the MP's of the Europe Social Democratic Platform declared they were leaving the BSP parliamentary faction. Today almost all Bulgarian dailies reproduce an address calling on democratic forces to unite "for an overwhelming majority in the future parliament

and for a break of the political hegemony of the BSP in the structures of power." The address is signed by some Socialist MP's as well: Mr. Boyko Kostov, son of Stalinist purge victim Traycho Kostov, cartoonist Boris Dimovski, sociologist Petur Emil Mitev. "I welcome the address if it seeks to ease the high political tensions in Bulgaria," Mr. Lilov said. He is unhappy with the passage mentioning the BSP.

Mr. Lilov thinks it is most unlikely that radicals and reformers would be excluded from the BSP electoral lists. The list of the Socialists, who are in coalition with another nine parties, will be considered at a plenum of the BSP Supreme Council early next week.

One of the radical Socialists, Associate Professor Dragomir Draganov, a historian, told the BTA later on that he was 95 per cent sure that the MP's of the Europe Social Democratic Platform are left out of the BSP electoral lists.

Communists Protest Move To Ban Political Parties

AU0309182391 Sofia BTA in English 1709 GMT 3 Sep 91

[Text] Sofia, September 3 (BTA)—The Bulgarian Communist Party [BCP] protests against the move of the parliamentary group of the Union of Democratic Forces to ban the activities of the BCP.

We are against the dictators Gorbachev and Yeltsin. The Soviet parliament does not have the right to disband political parties, neither has the Bulgarian, the BCP declaration, received at the BTA, reads.

Opposition Appeals To Pool Effort Against BSP

AU0309081991 Sofia BTA in English 1927 GMT 2 Sep 91

[Text] Sofia, September 2 (BTA)—"We must pool our efforts now so that tomorrow the vote of the people could give us an overwhelming majority in the future National Assembly to break the political hegemony of the BSP [Bulgarian Socialist Party] in the structures of power," says, among other things, an address to the Bulgarian electorate and political forces which was circulated today.

The address bears the signatures of Prime Minister Dimitur Popov, Interior Minister Khristo Danov, Transport Minister Veselin Pavlov (an M.P. for the BSP before he joined the cabinet), Foreign Minister Viktor Vulkov (a member of the leadership of the United Agrarian Party), United Agrarians leader Tsenko Barev, Social Democrats' leader Petur Dertliev, National Assembly Deputy Ginyo Ganev, Confederation of Independent Trade Unions President Krustyu Petkov, and other politicians.

SDS Parties Agree To Coordinate Election Work

AU3008153191 Sofia Khorizont Radio Network in Bulgarian 1500 GMT 29 Aug 91

[Text] Today, 30 August, an agreement was reached between the SDS-Liberals [Union of Democratic Forces-Liberals], the Bulgarian Democratic Party-Conservative Pact, the Green Party in Bulgaria, the Federation of Democracy Clubs, the SDS-Center, the Bulgarian Social Democratic Party, the Ecoglasnost Political Club, and the Alternative Socialist Association-Independent on coordinating their activities in setting up local electoral commissions and putting forward candidates for National Assembly deputies and other electoral posts, selected from the members of these parties and members, as well as from outstanding independent figures.

The announcement is signed by: Dr. Dertliev, for the SDS-Center; Petko Simeonov, for the SDS-Liberals; and Manol Manolov, for the Alternative Socialist Association-Independent.

Greens Rule Out Coalition With Socialists

AU0209170991 Sofia BTA in English 1546 GMT 2 Sep 91

[Text] Sofia, September 2 (BTA)—"We hope to reach a reasonable election agreement with the opposition formations, which will be very useful after the elections," Mr. Lyubomir Ivanov, deputy chairman of the Green Party said at a press conference today. As regards any cooperation with the Bulgarian Socialist Party [BSP], he stated flatly that the Greens would never enter a cabinet with the Socialists and added that possible Socialist participation in a future cabinet would be anachronistic.

The Greens are apprehensive about a certain growth of ethnic tension in some parts of the country. They see the reasons in the BSP's coalition with the Fatherland Party of Labour and in the fact that the election campaign coincides with the beginning of the school year in which optional Turkish language courses will be first introduced in some schools. The Greens hope, however, that the national issue will not be misused this time and that Bulgaria will remain "an island of stability in the Balkans."

Dienstbier Explains Recognition of Baltics

AU0309125391 Prague CESKE A MORAVSKOSLEZSKE ZEMEDELSKE NOVINY in Czech 30 Aug 91 p 1

["A question for Jiri Dienstbier, minister of foreign affairs and CSFR deputy prime minister," by Stanislav Cech in the column "A question for..."; place and date not given]

[Cech] Why do we have to establish diplomatic contacts with the Baltic republics while other countries are only renewing their contacts? Will these countries disclaim their recognition of the State of Slovakia [1939-45]?

[Dienstbier] The Governments of Lithuania, Latvia, and Estonia recognized the State of Slovakia, and thereby terminated all diplomatic contacts with Czechoslovakia. Therefore, today, we must establish new contacts, while some states only suspended theirs. These problems have subsequently been incorporated in various agreements by which Czechoslovakia and the Soviet Union mutually recognize their respective territorial integrity.

According to my information, some people on the Estonian side have been demanding a deletion of the then recognition of the State of Slovakia. However, there are other aspects. Thus, for example, on 15 September 1939, following the declaration of the State of Slovakia, our then minister of foreign affairs, Chvalkovsky, passed the buildings of our embassy onto Germans. We have no idea what condition this property is in today. The share of the Baltic republics in economic obligations of the Soviet Union—as its successors—must also be discussed....

Moravian Police, Slusovice Condemn Airport Raid

AU0309124491 Prague CTK in English 1643 GMT 30 Aug 91

[Text] Ostrava, north Moravia, Aug 30 (CTK)—Representatives of the north Moravian police at a press conference today said the raid by 36 Red Berets and 15 military police at the Ostrava-Mosnov airport presented an unnecessary hazard to the lives of policemen, soldiers, and airport personnel.

They said the action resulted from a lax following of Interior Ministry ordinances which has been the rule since Czechoslovak Interior Minister Jan Langos was appointed in June 1990.

The police said there has been neither cooperation between the Federal and Republic Interior Ministries nor a legal basis coordinating the ministries. They stressed that the action was carried out without adequate intelligence information and demanded punishment for those who ordered it.

Normally, the airport personnel cooperate with the police in such actions, but in this case the personnel were the target of the attack, the police said.

The raid at Ostrava airport was organized against the "DAK MOVA Bratislava" agricultural cooperative, a "DAK MOVA Bratislava" statement says today.

"DAK Bratislava", formerly "AK Slusovice", was a prosperous agricultural cooperative under the communist regime and has been under investigation for tax evasion since the communists were deprived of power in November 1989. "Cargo-Moravia" Airline, which had one aircraft in the airport, was founded by AK Slusovice in 1990.

The statement says the Interior Ministry lost its nerve and that the raid was an attempt to bring evidence that the Slusovice cooperative is dealing in arms and drugs.

Legislative Group Demands Resignations

LD0309194391 Prague Ceskoslovensky Rozhlas Radio Network in Slovak 1300 GMT 3 Sep 91

[Text] The presidium of the extra-legislative assembly has issued a statement on the action by police forces at the Ostrava- Mosnov airport, in which it demands the immediate resignation of Defense Minister Lubos Dobrovsky and Interior Minister Jan Langos. It describes the action in Ostrava as a dangerous precedent in using special units to intimidate and liquidate opposition parties and movements and, in an extreme case, the legislature as well.

Security Service Criticized

AU0409084691 Prague MLADA FRONTA DNES in Czech 31 Aug 91 p 2

[Rostislav Rod commentary: Not Only Mosnov"]

[Text] The Interior Ministry's entire monster operation at the Mosnov airport would be laughable if it did not concern such a serious and dangerous matter. It demonstrated again that the people in the administration of this department may be good friends, but they certainly lack professional qualities. The way the press spokesman of the Federal Ministry of the Interior explained the event was just a weak attempt to cover their tracks and play down the whole affair. However, his statement that a similar course of action "would be taken every time the information obtained is authoritative and credible" is not funny. It was demonstrated just how authoritative and credible the information was in the instance of Mosnov. There may be information of comparable quality anytime and about anyone. A commando may shoot your door to pieces, and if you are lucky, you will not have been standing behind it. There are many frightening reports circulating among the people about how the Federal Security Information Service [FIS] obtains its information and how it operates. For example, during the Gulf war, while the Interior Ministry organized showy, but— in the struggle against potential real terrorists—not very efficient operations, FIS head Novotny received a confirmed report that there was no danger of terrorist actions in Czechoslovakia

because some of Saddam Husayn's relatives were hiding in the Iraqi Embassy in Prague. Thus, terrorists would not be activated here. Novotny allegedly asked what he was expected to do about this. Just as curious was the attitude of this man in the case of the stolen Picasso paintings. His comment, as passed on by ministry spokesman Fendrych, was that he was not going to worry about a few pictures and galleries.

In the Mosnov case, the FIS, together with the Interior Ministry, demonstrated in practice its idea of the struggle against terrorism and drugs. "The guaranteed and confidential information" that led to the fiasco in Mosnov should have been verified by the FIS if it did not come directly from this organization. The case of the reports of Soviet Army movements in Germany during the coup, which proved to be erroneous, is similar. Nevertheless, "proper measures" were taken in Czechoslovakia against this nonexistent danger.

Although we have a legislative body established to control the FIS, its prospects for actual active control of what really goes on in this powerful organization are minimal. In a real democracy, after an operation like Mosnov, heads of the responsible officials would roll. It would not be the gunmen shooting down the doors who would be punished, but rather those who ordered such activities.

Pithart Criticizes Slovak Budget Policy

AU0309093591 Prague MLADA FRONTA DNES in Czech 29 Aug 91 p 1

[Interview with Czech Prime Minister Petr Pithart by Ondrej Neff; place and date not given]

[Text] [Neff] Following the Slovak Government's decision to unilaterally increase teachers' salaries, we can also expect the Czech Government to be subjected to strong pressure in this regard. Are you prepared to confront inflationary tendencies, even if it means a difference between teachers' salaries in the two republics?

[Pithart] Yes, we are. You quite correctly referred to the possibility of a conflict; I am of the opinion that it could be a fateful one. The fate of the republic budgets and of the federation's budgets is more likely to present a stumbling block for our joint state than either a referendum or the separatist attitudes of part of Slovak society. In short, the Czech Government has no intention of coming to terms with the fact that Slovak budget policy deliberately increases the risk of inflation. Of course, it is determined not to cover the expected Slovak deficit from Czech resources. It unequivocally expressed its point of view in yesterday's statement.

I expect there to be a fundamental dispute about the budget. The Federal Finance Ministry and, of course, the Czech National Council will certainly adopt a point of view on the issue. I have just told you what the Czech Government thinks of this kind of populism at our expense. I call this populism, even though I am convinced that teachers would merit a salary increase if it did not threaten to cast us into an inflationary abyss.

Air Force Deployment Problems in Slovakia Viewed

AU0309075491 Bratislava NARODNA OBRODA in Slovak 31 Aug 91 p 3

[Anton Fillo report: "A Little, But Is It Enough?"]

[Text] Readers are surprised by the fact that—within the framework of troop redeployment—old military technology is being sent to Slovakia, while only the most modern equipment is being kept in the Czech Lands. Reader Pavel Krajci from Bratislava focused attention on the Air Force. He is alarmed that the Slovak Republic's airspace is to be defended by just 15 30-year-old MiG-21 fighter aircraft. Is this true? As almost always, the truth lies somewhere in the middle.

There are five airports in Slovakia—Bratislava, Piestany, Poprad, Kosice, and Sliac—but the troops are not welcome anywhere. To date, they have been deployed in Piestany and Kosice where flight training for students from the Air Force College is under way.

Bratislava is not being taken into consideration because it is an international airport, and moreover, it is close to the border. International regulations also impede the Air Force. It is difficult to deploy military aircraft in Poprad because of the High Tatra Mountains. Logically, only the airport at Sliac remained under consideration, but the majority of people from local towns and villages were categorically opposed to locating our Air Force here. Considering their negative experiences with the Soviets, this is not surprising. Patients from the nearby spas also complained in vain about the intolerable noise.

However, official circles and nationally oriented political parties justifiably argued that Slovakia was not well enough protected from the air. Proposals were even presented for the construction of a new airfield in the Lest military exercise area. Yes, it would be theoretically—and, perhaps, also practically—possible to build an airfield there, but no one has been able to say from which part of our hollow state coffers we would get the at least 1.5 billion korunas needed for its construction.

Inevitably, a compromise was reached. A mixed squadron of MiG-21 MF and L-39 ZA aircraft flew into Sliac at the beginning of May. During their first two months, the pilots just trained in the lighter aircraft, which are not so noisy. Now they are also beginning to fly in MiGs that—although they are indeed outdated—have been brought up to date and are fully combat-ready. Air Force units in the Czech Lands are also equipped with these fighters.

Air exercises are restricted as much as possible, and the aircraft are only flown at subsonic speeds. As of 1 September, this squadron should be fully integrated into

the CSFR's air defense system. The unit is under the operational command of the air defense division based in Zvolen. Other units also belong to this group: the former Pezinok Brigade, which was responsible for Bratislava's air defense, and the antiaircraft missile regiment in Nitra.

The two training squadrons from the Air Force College deployed in Piestany and Kosice may also supplement Slovakia's air defense. Two helicopter squadrons should also be added next year. Time will tell whether these forces are sufficient for Slovakia's air defense. After all, it is always possible to make additional corrections.

Slovak Arms Industry Conversion Discussed

AU0309135591 Bratislava VEREJNOST in Slovak 29 Aug 91 pp 1, 2

["(vb)"-signed report: "Conversion Has a Chance of Succeeding"]

[Text] A working meeting organized by the Slovak Ministry of Economy was held to discuss the tasks entrusted to Slovak Prime Minister Jan Carnogursky and Slovak Minister of Economy Jozef Belcak. Representatives of enterprises affected by the conversion of the arms industry, trade unions, the Industrial Union, and state bodies on the federal and republic levels participated in the meeting.

The objective was to inform the participants about systematic measures taken to phase out arms industry production and the implementation of the Slovak Government's resolution, which has still not been fully put into practice. Not even the allocated amount of 1.5 billion korunas has been reallocated to individual projects.

A representative of the CSFR Ministry of Economy gave detailed information on the selection of the projects and programs to which the 1.5 billion korunas from the state budget will be allocated. The Federal Ministry of Economy received 304 projects, of which 129 were recommended. A total of 60 projects were rejected because they were completely unsatisfactory. The rest are waiting for additional approval for financing.

Slovak Prime Minister Jan Carnogursky, who participated in the meeting, said: The Slovak Government is seeking solutions while exploiting all the opportunities that arise, and I believe that the government is successful. If we compare the situation in the conversion of our arms manufacturing enterprises in the spring with the situation today, then we can see that the reality is much better compared with bleak prospects at the beginning of this year. Let all of us be aware of that, and let us also be aware of the fact that we are all in the same boat and that we have a common interest in getting out of this situation.

Party Views on Security Agents Screening Reported

AU0309082191 Prague LIDOVE NOVINY in Czech 28 Aug 91 pp 1, 12

[Second part of "(nel)"-signed report: "Debolshevization, Screening, and Ourselves"]

[Text] What do you think the term debolshevization of public life means? Do you agree with the demand that the names of all State Security [StB] collaborators and officers should be made public? We again turned with these questions to some politicians and political parties.

Czech Prime Minister Petr Pithart—Debolshevization first means limiting the influence of those people who directly participated in the criminal—and today legally undefinable—practices of the former regime. Second, it means limiting the influence of those who hold counterproductive points of view and beliefs acquired during the former regime. Third, debolshevization means ridding ourselves of such points of view and attitudes if we still unconsciously hold on to them. As far as the other issue is concerned, we have to ask ourselves: Can we distinguish between active and ambitious people who took this decision spontaneously and the others? Can we ensure that the decision on contentious cases will be entrusted to some kind of judicial organ? We cannot. Therefore, I disagree with the demand that the names should be made public. I cannot imagine that any lawyer would agree to this.

Czechoslovak People's Party Chairman Josef Lux—Our party will demand the adoption of legislative measures that prevent Communist Party of Czechoslovakia [KSC] Central Committee nomenclature cadres, KSC Regional Committee members, KSC District Committee members, People's Militia officers, and StB officers and collaborators for working in leading state administration functions and in the mass information media.

Miloslav Macek, Civic Democratic Party Deputy chairman—It is necessary to replace all those in important state administration and economic posts who, by their specific political decisions and conduct, kept the communist system—with all its consequences—in power in this country for 42 years. My answer to the second question is yes.

Tomas Svoboda, Christian Democratic Party [KDS] central secretary—We understand debolshevization to mean the struggle against all communist and postcommunist mafias. Its aim is to weaken the influence of old forces in the economic sphere and, if possible, to remove these people from their posts. We will support the proposal for the appropriate law in the legislature and—as opposed to the law's current form—we would like to expand it to conclude all People's Militia officers. As far as publication across the board is concerned, the

KDS proposed this eight months ago and is still fully in favor of it. If this does not happen, we consider it necessary to expand screening to functions in the economic sphere and in the mass information media. The names of positively screened journalists, if they do not resign within a designated time period, should be published. We support the constitutional principle that it is the public's right to be informed.

Jan Krycer, chairman of the Movement for Self-Governing Democracy-Society for Moravia and Silesia Land Council—Debolshevization means purging state administration bodies—especially central bodies—of nomenclatura cadres. We agree in principle with across the board publication. However, we do not want this issue to be abused within the framework of an election campaign to the benefit of any political party.

Army Official Explains New Defense Principles

AU0309102391 Budapest UJ MAGYARORSZAG in Hungarian 29 Aug 91 pp 1, 3

["N.Zs."-signed interview with Major General Janos Deak, deputy state secretary at the Hungarian Defense Ministry; place and date not given: "New Defense Principles—We Do Not Endanger or Threaten Anyone"]

[Text] The document stipulating the basic principles of the defense of the Hungarian Republic has been concluded and the government has adopted it as part of its security policy. The competent committee of the National Assembly is currently debating the bill. We asked Janos Deak, one of the formulators of these basic principles, about the new tasks facing the Hungarian Army:

[UJ MAGYARORSZAG] The political situation, and unfortunately, sometimes the military situation too, have been changing very fast in the part of Europe that includes Hungary. Taking all these things into consideration, what external circumstances did you consider while formulating the defense principles?

[Deak] Political circumstances have indeed changed considerably in the eastern part of Europe and on the whole of Europe too, and these changes have been decisively positive. The disbanding of the Warsaw Pact is one of these changes; as a result of this development, Hungary ceased to be threatened. The withdrawal of the Soviet troops from Hungary was another positive development. The events of recent days showed the importance of the aforementioned withdrawal. At the same time, unfortunate events are also taking place in our region. I mean primarily our southern neighbor where the Army is also engaged in internal fighting. When we talk about the reorganization of the Hungarian Army, we naturally take into consideration the aforementioned factors.

In formulating the basic principles of our new army, we have taken into consideration the political processes in Europe and the world at large, as well as the results of the disarmament talks in Vienna and the Paris Charter. We also considered the neighboring countries' defense concepts and the condition of their armies. In terms of its training, technical resources, combat readiness, and skill, the Hungarian Army does not lag behind the armies of neighboring countries. We do not see any reason to create an army equipped with top technology. We do not see any neighboring country as one threatening Hungary; nor do we want to threaten other countries.

[UJ MAGYARORSZAG] What is the main goal of the new defense policy?

[Deak] The main task of the Hungarian defense policy is to avoid or hinder the development of armed conflicts or war. We do not want war! The soldiers themselves know best what an armed conflict means for their country and people. Therefore, one could say that soldiers are basically in favor of peace.

[UJ MAGYARORSZAG] In fact, what could threaten Hungary's security?

[Deak] We must be prepared for any danger that could threaten Hungary's independence and territorial integrity. At the moment, we are not facing such a threat. We honestly hope that we will not have to fear this in the future either. However, we consistently follow the situation in the neighboring countries for signs of an unpredictable situation or domestic crisis. We must handle the points of tension beyond our borders with firmness and great care because we are striving to avoid the negative effects.

[UJ MAGYARORSZAG] Taking into consideration undesirable events, how could our army become suitable for modern defensive warfare?

[Deak] We hope we will never have to use the Hungarian Army in a war, but we have to be ready for any event. We must definitely maintain our troops' combat value during the current reorganization process. Some of our troops must be ready to be deployed in undesirable situations too.

Despite its current level of training and equipment, the Hungarian Army should be able to defend Hungary's sovereignty. It is important to increase our troops' ability to maneuver and their fire power so that, in case of counter attack, they can restore the original situation along our borders as soon as possible. We must see to it that both the staff and the officers are trained continuously.

[UJ MAGYARORSZAG] To what extent will the implementation of your ideas burden the state budget? To what extent does this modernization affect the duration of military service?

[Deak] In the first phase of reorganization, when we are laying the foundations of the new army, we do not think that this will burden the population or our budget. We are mainly talking about organizational and training tasks in this first phase. When Hungary's economic situation enables it, we will indeed have to modernize our technology too. I would like to give you an example: According to the Paris Charter, the Hungarian Army would be allowed to have 180 combat aircraft. Half of this amount is still missing. In addition, our existing aircraft are outdated. We would like to make the population and our National Assembly deputies accept the future need of considerable modernization expenses in this area.

We do not want to increase the duration of military service at all. On the contrary, we might even shorten the duration of military service after thorough consideration. Reserves will not be called up too frequently

either. We think that the reserves will have to be called up when retraining is really necessary.

Preventive Measures on Yugoslav Border Reviewed

AU0309084691 Budapest NEPSZABADSAG in Hungarian 30 Aug 91 pp 1, 3

[Peter Vajda report: "Hungarian Preventive Measures"]

[Excerpts] To what extent does the situation in Yugoslavia threaten Hungary? Our correspondents and foreign correspondents tried to answer this question. [passage omitted]

Hungarian legislative officials, including opposition members, welcomed the report of the Hungarian military leaders and Defense Ministry officials submitted to the proper legislative committee. The determining feature of the Hungarian reaction is "suitability," namely that the answer should by no means be provocative and should refrain from increasing tensions or giving any opportunity for misunderstandings. Hungary's reaction is even more restrained than those of Austria and Italy. At the same time, naturally, Hungary had to prepare for various measures in a situation in which serious armed clashes are taking place close to its borders. The Hungarian military leadership will act according to what the Hungarian prime minister said in Mohacs: "The Hungarian Border Police and the Hungarian Army have orders to defend Hungary's territory and airspace against any violation."

According to government information submitted to the relevant legislative committee, the Hungarian Army could be deployed in case of a wave of refugees, naturally without weapons. In addition, the Hungarian Army could defend the border area districts and objectives designated for military defense; it could assist the Border Police in strengthening state borders; and finally, it could take countermeasures against possible armed groups infiltrating Hungarian territory. Defending Hungary's airspace is a special task because, on the occasion of the latest border violence, combat aircraft probably deliberately violated Hungarian airspace and flew over Hungarian territory for a longer time, not only a few seconds, and even fired against Yugoslav targets from Hungarian airspace. Therefore, the Hungarian defense officials decided to move radars closer to the border, as a preventive measure. Hungarian interceptors are not only on the alert, but they also carry out patrol flights when necessary. If necessary, helicopters are also deployed at this sensitive border area.

In spite of all this, demobilization of Army and border police units continues according to schedule, and there is no mobilization or special combat alert in the Hungarian Army; the units deployed close to our southern border are capable of carrying out any possible extra tasks.

It has been discussed in the Assembly that constitutional legislation on even a limited use of the Army could take a long time, and several deputies are considering the need to modify the constitutional regulations regarding the use of the armed forces.

The Constitution provides for the use of the armed forces in case of a state of emergency, and this requires a legislative decision. The Assembly speaker, the chairman of the Constitutional Court, and the prime minister must jointly come to the conclusion that the Assembly cannot be convened because of lack of time or other obstacles, and only then can the president of the Republic declare a state of emergency.

Labor Official: Unemployment Must Be Expected

AU0309134191 Budapest UJ MAGYARORSZAG in Hungarian 30 Aug 91 pp 1, 7

[Interview with Gyorgy Schamschula, political state secretary at the Labor Affairs Ministry, by Laszlo Doczy; place and date not given: "A Manpower Market Has Emerged"]

[Excerpts] Italians are not concerned very much when they temporarily lose their jobs. However, the Germans are very much concerned, because they say that they live to be able to work. The Hungarians have not yet developed their attitude in this respect, but it is certain that many people find it tragic to lose their jobs or to be forced to learn another profession. We have not yet become accustomed to the market economy and its side effects. The employment law will be modified in the near future. This is necessary. [passage omitted]

[Doczy] What is the unemployment rate today, and what increase can be expected in the near future?

[Schamschula] There were 218,000 registered unemployed at the end of July this year. This number could increase to 300,000 by the end of this year. Unemployment is expected to reach its highest level next year, with a possible 9 to 11 percent of the work force, or 500,000 people, to be followed by a slow decrease until 1994. As for the precision of these forecasts, last year the "optimists" predicted 200,000 unemployed by the end of this year, and the pessimists predicted 300,000 unemployed; thus, also taking the unexpected Gulf War into consideration, our forecasts where realistic.

[Doczy] Some of the eliminated jobs have reappeared in the entrepreneurial sphere. How many people have found work in this sphere?

[Schamschula] About 400,000 entrepreneurial licenses were prepared last year. We do not know how many people are actually working in these new ventures, but it is a fact that, in addition to the previous two categories of employer and employee, a third category has also emerged, namely the "self-employed." These are the taxi drivers, owners of small restaurants, and the peasant farms. [passage omitted]

[Doczy] What strata of the population are threatened most by unemployment?

[Schamschula] This greatly depends on the people's geographical and professional affiliation, as well as their age. Unemployment is the lowest in Budapest and the western counties, like Vas, Gyor-Sopron-Moson, Komarom, and Zala counties, and the highest in the northern counties, like Szabolcs-Szatmar-Bereg, Borsod, Bekes, and Nograd counties. People without professions, such as unskilled workers, are in the most difficult condition, while people working in professions in which there is a demand are in more advantageous conditions, such as medical assistants, managers who speak foreign languages, and accountants. According to age, youth unemployment is our major problem. Every fifth young man is unemployed, and many young people are unable to find a job immediately after graduating. Unfortunately, this trend is similar in the West.

[Doczy] What can we expect to improve the situation?

[Schamschula] If economic growth starts, this will be followed by the emergence of new jobs and a subsequent decrease in unemployment. Instruction will also play an important role: It is our major task to train professionals who are capable of finding a job commensurate with their knowledge. The unskilled people living in the northeastern counties would be able to complement their unemployment allowances with agricultural work if they received enough land; however, we will have to consider long-term unemployment of 7 to 9 percent, because this is one of the conditions of efficient management.

Inflationary Pressure Continues To Increase

AU0309095491 Budapest NEPSZABADSAG in Hungarian 29 Aug 91 p 1

[Unidentified correspondent's report: "Forecast to the End of the Year: 37 Percent Inflation"]

[Text] If the current trend continues, inflation will reach 37 percent by the end of this year, we have learned from the latest data published by the Central Statistical Office. According to this report, prices increased by 0.9 percent in July, and this moderate increase is mainly due to a decrease in the price of seasonal goods, and mainly fruit. In addition, fuel prices also decreased, and this reduced the monthly price increase by 0.3 percent, while the compulsory vehicle insurance increased inflation by 0.9 percent. Prices in general are 38.2 percent higher than at the same time last year.

Fuel and household energy prices increased the most since July last year, but this group of goods continues to lead even if we look at the January-July period. However, compared to the January prices, the price of food products increased the least, because in July we paid 24.5 percent more than in January.

Thurmer Accused of Violating Constitution

LD0309193791 Budapest Kossuth Radio Network in Hungarian 1000 GMT 3 Sep 91

[Text] The guest of the program Napkoezben this morning was Smallholder Geza Zsiros, who has turned to the supreme state prosecutor because, in his opinion, the activity of Gyula Thurmer [chairman of the Hungarian Socialist Workers Party] at the time of the putsch in the Soviet Union two weeks ago violated the Constitution.

Zsiros has also passed on to our editor a letter, according to which the Hungarian Socialist Workers Party chairman supported the anti-constitutional appropriation of power, and his party did not dissociate itself from this, either. For this reason, Geza Zsiros is asking the supreme state prosecutor to investigate the affair and take the necessary measures.

Planned Food Deliveries to USSR Reported

LD0309165991 Budapest Kossuth Radio Network in Hungarian 0500 GMT 3 Sep 91

[Interview with Gyoergy Rasko, state secretary for agriculture, by Julia Feiszer; place and date not given; live or recorded]

[Text] Some are mentioning $100 million, others are mentioning $500 million when speaking about a deal between a U.S.-Soviet mixed enterprise and Hungarian agricultural producers. Naturally, it will be necessary to pay for the Hungarian foodstuffs; however, the Soviet treasury is empty at the moment, or at least partly so. It is expected that they will be able to pay from the credit that the Soviet Union receives from the British Government. Julia Feiszer talks to Gyoergy Rasko, state secretary for agriculture:

[Begin recording] [Feiszer] If the Soviet Union receives the cash sum, credit, offered by the British prime minister, and if it has the money to make purchases, what could Hungary offer?

[Rasko] There is such a list, and I can say that we have completed our work because I was visited a week ago by a high-level delegation from the Soviet Embassy in Budapest, at the level of commercial adviser. We handed over this list. Its total value is some $470-$500 million. The Hungarian side is immediately ready to deliver.

The main items are poultry, some 30,000 tonnes of poultry, as well as some $35 million worth of dry goods, preserved meats and other meat preparations, and apart from this, 13,000 tonnes of tinned meat, 10,000 tonnes of tinned food, 10,000 tonnes of baby food for which, by the way, there was an indicative list earlier.

[Feiszer] What does that mean?

[Rasko] This is the only item for which there was an indication from the Soviet Union in January of this year,

that it was willing to buy 10,000 tonnes of baby food from Hungary in exchange for convertible currency. We have again offered this, since no agreement has been drawn up in this matter.

We, of course, clearly are, or would be, deliverers of grain. We are slowly reaching the point that there is not enough grain to deliver.

[Feiszer] As regards quality wheat, because this will be turned into fodder— in the Soviet Union, fodder wheat could enter the discussion, because there is plenty of livestock there.

[Rasko] Yes, that is why the Soviet deliveries will go, and it is completely certain that there will be no obstacle to 1 million, 1.2 tonnes of poorer quality wheat getting to the Soviet Union. It could be said, virtually, that this is in the top position in the list.

Reportage on Goncz Visit to Italy

WA0309183891

For Budapest Radio reportage on the visit by President Arpad Goncz to Italy, including reports on his talks with Italian Foreign Minister Gianni de Michelis, please see the Italy & Vatican City section of the 3 September West Europe DAILY REPORT and subsequent issues.

Jeszenszky Visits Greece, Meets With Officials

WA0309111391

For Athens Radio reportage on the visit by Foreign Minister Geza Jeszenszky to Greece, including reports on his talks with Greek President Karamanlis, Greek Prime Minister Mitsotakis, and other Greek officials, please see the Greece section of the 3 September West Europe DAILY REPORT and subsequent issues.

Balcerowicz Comments on Silayev Remarks

LD0309202291 Warsaw Radio Warszawa Network in Polish 2000 GMT 3 Sep 91

[Text] Ivan Silayev, prime minister of Russia and head of the committee for managing the Soviet national economy, speaking today from the platform of the extraordinary Congress of People's Deputies, suggested that Poland is considering the possibility of joining the economic union being created by the 15 republics which constituted the Soviet Union. Silayev cited in this context the Monday talks with Deputy Prime Minister Leszek Balcerowicz.

Asked to comment on this statement, Deputy Premier Balcerowicz stated that he is not really familiar with Silayev's speech. On the other hand, the point is probably the stressing of readiness to arrange good relations with East Europe. Leszek Balcerowicz added that such an interpretation is the correct one, and Poland is interested in the reconstruction of relations with the eastern market.

Bielecki on State Security, Military Issues

AU0409070991 Warsaw POLSKA ZBROJNA in Polish 30 Aug - 1 Sep 91 pp 1, 2

[Interview with Prime Minister Jan Krzysztof Bielecki by Marek Zdziech and Tadeusz Mitek; place and date not given: "About Polish Security"]

[Text] [POLSKA ZBROJNA] Prime Minister, perhaps we could start with the most topical issue today. Has the attempted putsch in the USSR cast a new light on Poland's security and defense? Has it created the need to reconsider international alliances and seek guarantees for safe borders?

[Bielecki] The putsch has caused our economic problems, which mainly involve restructuring the economy, to fade into the background, their place taken by the primary issues of Polish sovereignty and independence.

As far as Poland's security is concerned, this must be viewed in terms of our membership of the family of democratic European countries. Poland's long-term objective is full membership of the European Communities and closer cooperation with European security structures, as well as increasingly better cooperation with NATO and the United States. I think Poland will receive additional security guarantees during my visit to the White House at the beginning of September. I wish to make it clear how important and necessary it is for us to belong to the family of democratic countries.

[POLSKA ZBROJNA] We understand that this concept involves the security of all borders.

[Bielecki] It is important to establish good relations with all our neighbors. We have only managed to do so with Germany. We are counting on a quick ratification of all the pacts we have concluded. We enjoy constantly improving regional cooperation with our southern neighbor, and we are seeking to establish the best possible relations with our eastern neighbor. I think that, thanks to the recent events, our relations with the republics on our eastern border will improve more quickly.

Poland's security depends on our energetic foreign policy, but also on the changes inside Poland.

[POLSKA ZBROJNA] Let us proceed to military matters. How do you view the progress with the reforms to the Army? Most of all, how do you view the Army's inclusion in the political changes, the creation of civic democracy and the progress toward a market economy? The economic changes are quite a tangible burden on the Army's material situation and morale.

[Bielecki] You know very well that, inasfar as one can believe public opinion polls, the Army enjoys great social popularity on the one hand, but on the other hand, it is experiencing serious internal problems. Some military men are even asking whether military service makes any sense. Essential military changes are still encountering obstacles. I think there is a large gap between theory and practice. Although the civilian-military team that worked on the package of essential reforms has achieved major progress in shaping the army of the future, we have still not begun to implement these changes.

An important step, but one that nevertheless must not be overvalued, is the appointment of a civilian defense minister. This will make it plain to society that the Army is being brought closer to it and to the civilian structures that run any democratic structure.

[POLSKA ZBROJNA] Does that mean you consider all the military changes so far to be superficial?

[Bielecki] Of course, there is still the question of further consistent changes inside the Army. Another important task is to work out a complete new defense doctrine, which we still lack. This doctrine must be adapted to and connected with the economic changes in Poland. One must remember that the Polish Army has been very dependent on equipment deliveries from the USSR. Today we are faced with the problem of deciding to what extent we should develop our arms industry and to what extent we should produce the weapons our Army wants.

The new defense doctrine should also address such issues as essential quantities and categories of equipment, the countries from which we should import them, the extent of our own production, the size of the armed forces, and the way they should be organized. This must be a realistic doctrine, one that gives real security guarantees.

[POLSKA ZBROJNA] Do you think the military reforms are also hampered by the Sejm's failure to approve the government's package of military legislation?

[Bielecki] The Army reform, indeed, depends on many legal regulations that should be changed. It particularly depends on changes in the Defense Ministry leadership and the appointment of a civilian defense minister. The Sejm has, indeed, postponed a decision on all this, possibly because of the intensive election campaign. A

lot of other pieces of draft legislation have been postponed because of the campaign and may fail to get through Parliament.

[POLSKA ZBROJNA] The Army is waiting for an acceleration of changes, and most of it approves of the direction these changes are taking, e.g. the separation from the party and depoliticization of the Army. However, there are fears that the depoliticization may be canceled if a civilian defense minister is appointed. After all, a civilian minister would represent a particular political stream. The Army is very sensitive to politics now because, under the previous system, it was merely a political instrument of a monolithic party.

[Bielecki] Let us say that everything that all of us in Poland are attempting to do to achieve democratic changes is encountering obstacles. Just because some of the things we are doing do not work out does not mean we should lose faith in our principles. My solution is simple; we should stop squabbling. Let us see to it that the changes and personnel selection take place as normally as possible, on the basis of a respect for personal abilities and according to the principle a nonpolitical Army.

This principle is evident in the east and has had a bearing on the development of events there. The Army in the east showed that it does not want to be a tool in a political contest and a repressive weapon in the implementation of political goals.

After all the changes that have taken place, no one in Poland will find it easy to tell officers what to do. Those times have ended. Poles have regained their supremacy, and they will defend it.

[POLSKA ZBROJNA] The incorporation of the Army into the democratic system began much earlier and has gone much further in Poland than in the East.

[Bielecki] Yes, but no one has completed this process anywhere yet; therefore, this is still something like an experiment, and the fears are justified. However, we can be certain that we are heading in the right direction, toward an empirical system, and not toward the private utopia of someone who wanted to make the world happy with his own ideology.

[POLSKA ZBROJNA] There is no way to avoid the following topic, because our readers insist on it. I am talking about the standard of living of soldiers' families and the service conditions of soldiers themselves. The military community is clearly becoming impoverished, and the social conditions of barracks are declining. This is having a clear effect on morale and on the motivation of recruits. What does the government intend to do about it?

[Bielecki] The standard of living in the Army is the result of, on the one hand, the Army's role as a guardian of state security, which imposes certain restrictions on it, and on the other, the state's economic capability and the budget's financial situation. As far as finances are concerned, there are no miracles. If the economy is weak and budget income low, one cannot expect the military standard of living to suddenly improve.

[POLSKA ZBROJNA] The Army's confidence obviously depends on the technological standard of its equipment. We know that this situation is deteriorating. Do you see any chance of closing the technological gap that separates us from modern armies?

[Bielecki] This problem requires foreign assistance, mainly in the form of modern technology, which is very often protected. What Poland needs is the best possible access to technology by concluding agreements on suitable cooperation.

Therefore, it can be said that security guarantees for Poland clearly depend on lifting various types of barriers and restrictions, for it is no secret that we are incapable of manufacturing all the military technology a modern army needs ourselves.

However, I would like to return to the question of the military standard of living. I think this is closely linked to the numerical status of our forces. In this case, we must take real economic possibilities into consideration, which means we need an army that is smaller, but trained and equipped well enough to perform the tasks required of it. Thus, further quantitative restrictions in the Army are essential.

[POLSKA ZBROJNA] Prime Minister, we have been talking in generalities. Our average military reader will want to hear details. For instance, he will want to know what kind of restrictions are to be expected because of the budget cuts.

[Bielecki] It is very difficult to make any promises these days, but the restrictions need not necessarily apply to the entire Army. As you well know, there are military spheres that receive and will continue to receive financial protection. In any case, I think certain economizing measures will be beneficial, because they will act as an incentive for the changes taking place in the Army. Work on a defense doctrine and new military structure will speed up.

I do not think this must result in a drop in the military standard of living. The only problem is how to make the best use of the resources at our disposal and to abandon methods that are now defunct.

Of course, the problem of supplying the Army with the latest generation of equipment still remains. This is not something that can be solved overnight.

[POLSKA ZBROJNA] Structural changes inside the Defense Ministry were announced during the last Sejm session, i.e. personnel changes. Can we expect these to take place during the present Sejm's term of office?

[Bielecki] I doubt it. I am worried about the decline in the Sejm's legislative efficiency. The election campaign is, of course, a very important undertaking, but I fear it might delay the restructuring of our country, including the Army. In addition, it takes time for a new Parliament

to become operative, because various committees, not to mention a new government, have to be appointed. All this might delay the process of transformation for weeks, if not months.

[POLSKA ZBROJNA] It so happens that we are talking on the eve of the anniversary of the outbreak of World War II. What thoughts do you have, and what conclusions for our present political and military raison d'etat?

[Bielecki] I identify 1 September with a tragic episode in our history and with a certain choice that had to be made, a choice that Pope John Paul II referred to during his meeting with young people at Westerplatte, when he said that everyone reaches a point of no return and has to make a choice of supreme values so that later he has the courage to examine his conscience.

When making our choice today, we must consider the future. As far as our geographic and political situations are concerned, this means most of all establishing good relationships with our neighbors. We must forget the two enemies theory. We must also remember our participation in building a common Europe. I believe Poland's participation in this process will be fruitful, in line with our desires and ambitions.

Decrease in USSR Oil Deliveries Discussed

LD0109224391 Warsaw Radio Warszawa Network in Polish 1700 GMT 1 Sep 91

[Interview with Mieczyslaw Ratajewicz, director in the Ministry of Foreign Economic Cooperation, by correspondent Anna Andrzejewska; place and date not given; first paragraph Andrzejewska introduction—recorded]

[Text] On 2 September, Deputy Prime Minister Leszek Balcerowicz will travel to the USSR. I have asked director Mieczyslaw Ratajewicz, from the Ministry of Foreign Economic Cooperation, a Polish expert on economic contacts with the USSR, for an interview:

[Begin recording] [Andrzejewska] Is there an area in which things are going well?

[Ratajewicz] I don't think so, considering that we are comparing the state of affairs today with last year.

[Andrzejewska] Is there an area where we can say things are relatively okay?

[Ratajewicz] As part of income for the last seven months from exports to the USSR, which amounted to about $380 million, the biggest uniform group of goods, of the goods exported to the USSR and paid for, are the products of the food processing industry and agriculture. This is about $155 million.

[Andrzejewska] How much truth is there in a claim that the deliveries of oil from the USSR have been decreased? As far as I remember, they were not supposed to decrease. On the other hand, we do not want so much natural gas.

[Ratajewicz] It is true that the pace of deliveries of oil from the USSR is decreasing. Implementation of the annual contract for it is not in danger yet, but, yes, the pace of deliveries is decreasing.

[Andrzejewska] What if the USSR sells the natural gas that was meant for us to someone else, and we want more?

[Ratajewicz] There is slightly more gas from the USSR than we currently need.

[Andrzejewska] How many industrial enterprises are there in Poland that are vitally dependent on exports to the USSR?

[Ratejewicz] A lot; over 100.

[Andrzejewska] How many of these are today in a worse situation.

[Ratejewicz] About 60.

[Andrzejewska] You travel with Deputy Prime Minister Balcerowicz to the USSR. Will this be the main topic of your talks?

[Ratejewicz] We will talk about it, among other things. [end recording]

Farmers Organizations Confirm Strike Cancellation

LD0309165291 Warsaw PAP in English 1438 GMT 3 Sep 91

[Text] Warsaw, Sept. 3—Representatives of farmers organizations meeting with Premier Jan Krzysztof Bielecki on Tuesday confirmed their decision to call-off a general strike planned for September 5.

During four-hour talks, farmers presented to the premier three key postulates concerning the introduction of minimum guaranteed prices for agricultural produce, moderation of the credit policy pursued towards the agricultural sector and the storing of this year's surplus of agricultural products.

Bielecki Meets With Union on Agriculture Policy

LD0409022591 Warsaw PAP in English 2311 GMT 3 Sep 91

[Text] Warsaw, Sep 3—Poland's Prime Minister Jan Krzysztof Bielecki met here Tuesday with the presidium of the National Council of Rural "Solidarity" Union.

Commenting on the meeting, union's spokesman Piotr Dabrowski said that the reshaped government agricultural policy was very promising but nothing could be said at the moment whether it would meet farmers expectations that focused basically on grain procurement and agricultural production profitability.

The chairman of the rural "Solidarity" union Gabriel Janowski stated that the meeting with the prime minister would have no impact on the suspension of protest action initiated on August 15.

Liberal-Democrats Support Constitutional Changes

LD0109230191 Warsaw PAP in English 2202 GMT 1 Sep 91

[Text] Warsaw, Sept. 1—Candidates of the Liberal-Democratic Congress running for the Polish Parliament have sent a cable to Premier Bielecki in which they argued the need for the introduction of amendments to the present Polish Constitution. The cable stressed that the recent develpments in the Sejm (lower house) revealed the need for changes in the Constitution. The candidates said that the president should become a person enjoying real authority, while the government should transform itself from parliament's executive body into a seperate executive authority.

Motion on Government Resignation Criticized

AU0309151391 Warsaw RZECZPOSPOLITA in Polish 31 Aug - 1 Sep 91 p 1

["Bozena Wawrzewska Comments"]

[Text] So, the crash that was to be expected has occurred. The government, under attack from all sides, announced its resignation. This was preceded by a motion proposed by Deputy Ziolkowska that called on the government to resign and, at the same time, entrusted it with the continuing to exercise its duties until the elections.

It was this proposal that provoked a political crisis that grew by the hour. The crisis occurred at a very bad time in terms of both the international and domestic situations. The question that arises is what lay behind Deputy Ziolkowska's proposal and behind the government's readiness to resign, which was announced following the motion.

An explanation that dwells solely on the budget crisis is a gross oversimplification. No one casts doubt on whether there are economic strains and difficulties. There are also no doubts about the dramatic choices that the government faces in making adjustments to the budget. However, the difficulties that exist at the present time have very deep roots. The cannot simply be the product of the government's work over a period of several months. The roots of what is happening today lie in the past, when there was a command economy, when, under similar circumstances, money was printed on a scale that bore no relation to the supply of goods, and, in the face of widespread shortages, rationing was introduced. It would appear that Deputy Ziolkowska, who owes her seat in the Sejm to the deal that gave the Polish United Workers Party a majority in the Sejm, like the majority of deputies on left side of the hall, pretends to have forgotten that.

However, the most surprising thing is the timing of the motion calling on the government to resign: Less than two months before the parliamentary elections. Even if the present government were guilty of all the things that it is accused of, there would be no possibility of forming a new government in eight weeks, having that government start its work, and providing it with an opportunity to demonstrate that it is a better government than the current one. Besides, Deputy Ziolkowska wants the government to continue carrying out its duties after it has resigned. So, that was definitely not the reason behind proposing a motion that bore the hallmarks of a political protest. On the other hand, it is highly likely that the motives should be sought in the political campaigning surrounding the October elections, campaigning that has already begun.

Many election campaigns, especially parliamentary election campaigns, are based upon total criticism of the government. However, when one criticizes a government, one generally puts forward an alternative program. Unfortunately, one knows little about the program of the party that Deputy Ziolkowska represents. Besides, if the country has been reduced to such a catastrophic state as Deputy Cimoszewicz stresses, and he also comes from the ranks of the former Polish United Workers Party, then no questions need to be asked about the role of the former party in that. A question that also needs to be asked is: How did deputies perform their duty as the highest body supervising the work of the government? Why did the Sejm allow a situation such as the present one to arise? And if things have already gone so far, then, at least for the sake of common courtesy, then what should be stated is what has and has not been accomplished, instead of staging a spectacle in Parliament.

A week ago the Sejm was in session for four days. There were several dozen speakers. Passing an important bill was not the purpose of the debate, although more than a hundred bills are waiting to be considered. The Sejm, although requested by the prime minister, did not recall a minister and requested some additional explanations concerning the issue instead. Leaving aside the merits of the particular case, is it really Parliament's role to interfere in every personnel decision made by the prime minister? Can the head of the government not form a government made up of people that he wants to work together with?

The prime minister neither wants to be a figurehead or a whipping boy. His nerves got the better of him, and that is hardly surprising. He announced that the government was ready to resign, and that threw everyone into a state of consternation. Then the maneuvering behind the scenes started up. Are 12 hours enough time to realize that this is not the right moment for political battles?

The government, instead of being attacked, should be better equipped for coping in a difficult situation.

Council Meets 2 Sep; Adopts State Secrets Law

LD0409022291 Warsaw PAP in English 2325 GMT 3 Sep 91

[Text] Warsaw, Sep 3—The Council of Ministers which gathered in a session Tuesday resolved to postpone until Wednesday its discussion on the amendments to the constitution designed to strengthen the government's executive powers. The decision was dictated by the absence of ministers Balcerowicz and Ledworowski who asked to stay a day longer in Moscow to continue their talks there.

The cabinet will gather again Wednesday at 1700 hours.

At its Tuesday's session the Council of Ministers adopted a draft law on the protection of state and public service secrets to supplant the old law of 1982 which fails to reflect the current transformations in Poland.

The draft contains a new definition of a state secret and says that in the future persons possessing Polish citizenship would not have to apply for any special permission to get access to the public service secrets. Foreigners and persons having a double citizenship would be granted access to such secrets upon receiving the permission of the defence or state protection bodies. The latter rule would apply, for instance, to foreign experts and advisers.

The government also discussed the question of pensions growth. An amended draft law regulating the matter is to be submitted to the Sejm's social policy committee on Thursday. Meanwhile, the government is preparing special payments of some extra money to persons receiving the lowest pensions.

The cabinet also adopted draft amendments to the penal fiscal law introducing tougher sanctions for violating fiscal, tax, customs and foreign regulations.

After a debate on the urgent problems of agriculture the government opined that it saw no possibility for deciding upon the agricultural market prices by administrative measures. The government resolved, however, to outlay in the second half of 1991 some 800 billion zlotys for modernization credits to be granted to farmers willing to restructure their farms. The interest on credits should not exceed 24 percent annually.

Labour Minister Michal Boni informed the cabinet that the documented financial claims of the trade unions relating to the loss of property suffered under martial law amounted to 20.8 billion zlotys and had to be met. Other claims are not documented and negotiations are currently conducted with Solidarity union which, according to Minister Boni's report, create a chance for reaching a compromise on the matter.

The government's press spokesman Andrzej Zarebski announced after the conclusion of the cabinet's session that Premier Jan Krzysztof Bielecki sent along with the text of the Polish-German treaty on good neighbourly relations and friendly cooperation a letter to the Sejm (lower house) speaker asking the chamber to ratify the document.

We expect the Sejm will ratify the treaty, signed by heads of both governments in Bonn on June 17, during its meeting on September 12-13, Zarebski said.

UOP Chief on KGB Infiltration, Former Agents

AU0409074491 Gdansk TYGODNIK GDANSKI in Polish 25 Aug 91 p 4

[Interview with Andrzej Milczanowski, chief of the Office for the Protection of the State, by Aleksandra Ciechanowicz-Sarata; place and date not given: "Not A Public Office"]

[Excerpts] [passage omitted] [Ciechanowicz-Sarata] Do you not fear the presence of KGB agents in the Office for the Protection of the State [UOP]? That is a very real possibility.

[Milczanowski] I have answered questions like this many times already. Let us not exaggerate the danger from the KGB. There is always a risk of infiltration, and not just by the KGB. The history of special (or, if you like, secret) services is full of various cases of penetration. The special services of other countries are not immune to this danger. Rest assured that we attach great importance to the internal security of the UOP.

I guarantee that most UOP officers are professionals who like their work and are properly prepared for it. I am convinced as to their loyalty. [passage omitted]

[Ciechanowicz-Sarata] You think there is no danger at all from the old Security Service [SB]?

[Milczanowski] I see no major threat. There is nothing I can say about any underground organization formed by SB employees who failed their screening for UOP employment. There is no evidence of it. However, I have already said that it is better not to stir up a hornets' nest. [passage omitted]

[Ciechanowicz-Sarata] What is your opinion of the disclosure or non-disclosure of the names of former SB agents?

[Milczanowski] The UOP is opposed to the idea of disclosing who belonged or who did not belong to the UOP. I understand this problem worries many communities. However, I wish to make it clear that one should approach this matter with great caution. One must bear in mind that many people found their way into SB files without their knowledge. They were checked out during the most varied operations. Establishing a full and authoritative list of SB collaborators is practically impossible. Some of the files have been deliberately destroyed.

Also, the disclosure of lists of agents could cause a partial paralysis of the special services. At best, it could considerably interfere with operations. Our collaborators would fear, and not without reason, that their names might be revealed by future governments. In matters concerning the special services, it is essential to preserve common sense and consistently adhere to the principles to which all major special services adhere.

Kaczynski Interviewed on Center Accord Links

AU2808102991 Warsaw TYGODNIK SOLIDARNOSC in Polish 23 Aug 91 pp 1, 6, 7

[Interview with Senator Jaroslaw Kaczynski, chief of the Presidential Chancellery and chairman of Center Accord, by Wojciech Gielzynski and Jozef Orzel; place and date not given: "I Want To Shoulder Society's Dissatisfaction For The Sake of the Reforms"]

[Excerpts] [TYGODNIK] People generally are centrists, so the Center Accord should generally be accepted. Yet that is not the case. Why?

[Kaczynski] Because we have always been presented as a group of political adventurists, with the result that that is how a portion of society views us. In addition, there is the delicate problem of people in the field who are constantly trying to change local authorities. We are trying to stop this trend.

The Center Accord arose as an alternative force, so it is obvious that many disenchanted people joined us. However, we are not a party of people disappointed because they failed to gain admission to elegant council chambers. People were not really keen to do so, and neither were we. Extremist views pose a threat to centrism. That is why I firmly oppose entering into any alliance, for example with the Christian-National Union. We must consolidate the Center Accord's centrist nature. [passage omitted]

[TYGODNIK] To wage an effective political struggle, one needs allies, but the Center Accord has lost many of its allies. Why did the alliance with the Liberal-Democratic Congress fail?

[Kaczynski] Our marriage to the Congress was never consummated. Our programs were too far apart. We do not think capitalism can be built on top of late communism, without a thorough restructuring of the state, economy, and society. The Center Accord relationship with the Liberal-Democratic Congress continued until the Congress realized the differences between us. They had a larger goal in mind, for they were a small, insignificant group, and they left us when they realized they could get by on their own. When they entered the government, it became possible for them to do so. But we have lost nothing through this divorce; the Liberal-Democratic Congress never was our political ally. [passage omitted]

[TYGODNIK] You failed to link up with the peasant movement.

[Kaczynski] That was a major failure, but it now transpires that no one is capable of reaching a consensus with it. The members of the movement cannot even reach a consensus with each other. The peasant movement is dominated by a parochial attitude, the result of the very bad living conditions in rural areas.

[TYGODNIK] There will not be any coalition with "Solidarity" either.

[Kaczynski] "Solidarity," unfortunately, decided to go into politics and become a political party. Basically, it decided to put forth an unrestricted list of parliamentary candidates, and banned members of political parties from appearing on it; in other words, it became a party itself. That will be the end of "Solidarity" as a union and may also cause a political schism because political views inside "Solidarity" are diversified. "Solidarity" might even split up into a trade union and political party. And what would the new trade union be like? Not another All-Polish Trade Union Accord [OPZZ], I hope. [passage omitted]

[TYGODNIK] The Center Accord has become a Christian-Democratic party, but the influence of the Christian-Democrats before the war was minimal, in addition to which, support for the church is also diminishing.

[Kaczynski] What we counted on was not the consolidation of Christian democracy among people, but the consolidation of Catholic traditions, out of which one can create a Christian democracy. That is what one of "Solidarity's" most influential factions was. But the construction of a modern Christian democracy is still in the future. [passage omitted]

[TYGODNIK] The Center Accord defends the church, but the church's sympathies are changeable.

[Kaczynski] The church does not make any decisions about political support, and our defense of the church is part of our permanent ideology, not a temporary whim. [passage omitted]

Poll Finds Rising Discontent Within Population

LD0309192991 Warsaw PAP in English 0834 GMT 3 Sep 91

[Text] Warsaw, Sept. 2—A total of 81 percent of people polled by the Public Opinion Research Centre (CBOS) between August 23 and 26 expressed increased discontent due above all to low living standards. 14 percent regarded these standards as fair, 3 percent as good.

Nearly half (45 percent) thought that there had been a worsening situation in the country since the beginning of the year but 40 percent disagreed.

Changes for the worse were recorded for the economy (63 percent), the workplace (53 percent) and in the living standards of the families of those polled (46 percent). The highest ratings in changes for the better were: in relations with other countries (72 percent), and generally in the political life of the country (45 percent).

Reportage on President Iliescu's Visit to Israel

Iliescu Interviewed

AU0409121091 Bucharest ROMPRES in English 1023 GMT 4 Sep 91

[Text] Bucharest, ROMPRES, 4/9/1991—Outlining the significance of his visit to Israel President Ion Iliescu in an interview with the Israeli daily "YEDI'OT AHARONOT" on 24 August assessed it as "marking a stage in the bilateral relationship and the mutual wish for growing cooperation on all fronts. On the political front we hope to build up confidence and increase cooperation, and on the economic front—to broaden the framework for work together", the president said.

Restating his country's position on the Middle East President Iliescu said that "Romania acted as a factor of balance in the past and is trying to be one now. We think one must take the reality into account, the existence in this part of the world of Arab states and of the State of Israel", he showed.

I believe that only by taking a realistic path can solutions be found to these problems, can they be solved politically. Therefore, we regard the planned conference as a possible starting point. In fact there are many realistic approaches to that matter both on the Israeli side and on the Arab side, President Iliescu said.

"We set [out] from the idea that democracy means not only the option of the majority and observance of majority's decisions but also respect for minorities' stands, be they political, confessional or ethnic minorities," stated President Ion Iliescu in the interview granted on August 24 to the Israeli daily "YEDI'OT AHARONOT" referring to Romania's policy related to ethnic minorities. "These principles are included also in the country's new constitution now under drafting," stressed President Iliescu reminding that Romania was "one of the few countries in which all ethnic minorities were represented in parliament." "There are 14 minorities organized in representative unions which, irrespective of the elections returns, automatically got a seat in Parliament. And this holds true for the Jewish minority as well," he said.

Stressing that "there was no reason for the Romanian people to apologize to the Jewish people since it also suffered during fascism," President Iliescu stated "the Romanian people showed not only tolerance but also solidarity with those who suffered, many Jews enjoying support and protection from the Romanian society. While in Northern Transylvania, under the fascist regime, the Jews were subject to mass deportation to concentration camps, in Romania they enjoyed a certain protection." He condemned the attitude of the legionary forces, of the Antonescu's fascist regime and the massacres in Iasi and those during the legionary rebellion condemned by the Romanian public opinion assessing: "the very ceremonies this year that marked 50 years since the massacres in Iasi are illustrative of the stand of the Romanian officials and public opinion, an attitude which cannot be mistaken for minority and peripheral stands of some who still harbor such prejudices."

Iliescu Assesses Visit

AU0309171591 Bucharest ROMPRES in English 1109 GMT 3 Sep 91

[Text] Bucharest, ROMPRES, 3/9/1991—"I can say that the beginning is positive and promising," President Ion Iliescu stated to the Romanian press at the end of a first round of talks with leaders of the State of Israel. Right from our arrival and from our first meetings and talks with President Herzog and Prime Minister Shamir I have seen the mutual wish to develop the relations between our countries, the Romanian head of state said. Both of us give a special significance to this visit. It is a special political moment—the first visit to Israel of a Romanian head of state. Both the Israeli side and we consider that this diplomatic action is of a special political significance, it marks a crucial moment in the development of our bilateral relations which also expresses the mutual interest to diversify and develop the ties in all fields and, at the same time, the political will to express this mutual option, to use the new conditions in our country, the new conjuncture to develop bilateral relations. At same time, this visit is an opportunity to improve our international collaboration both on a zonal and a global plane, in international organisms, stress being laid on the friendly feelings on which our bilateral relations are based."

Investment Agreement Signed

AU0309189691 Bucahrest ROMPRES in English 1748 GMT 3 Sep 91

[Text] Bucharest, ROMPRES, 3/9/1991—On the occasion of President Ion Iliescu's visit to Israel, Eugen Dijmărescu, minister of state, member of the Romanian delegation, and David Levy, minister of foreign affairs, signed an agreement on bilaterally guaranteeing and protecting investments. Petre Marculescu, Romanian minister of agriculture and food, and the Israeli Minister of Agriculture Rafael Eitan signed a protocol on cooperation in agriculture. An accord of cooperation was also signed between "Israeli Broadcasting Co." and the Romanian Radio Television.

Israeli Press Reports on Iliescu Visit

WA0309150591

For Jerusalem and Tel Aviv media reportage on the visit by President Ion Iliescu to Israel, including reports on his talks with Prime Minister Yitzhaq Shamir and other leaders, please see the Israel section of the 3 September Near East and South Asia DAILY REPORT and subsequent issues.

Verdet Responds to Young Liberals' Accusations

AU0309133191 Bucharest DEMOCRATIA in Romanian No.3 August 91 p 3

[Interview with Ilie Verdet, head of the Socialist Labor Party, by Eugen Florescu and Carmen Florian; place and date not given: "Ilie Verdet Answers Accusations"]

[Text] [DEMOCRATIA] Mr. Verdet, it is known that recently, to be more exact, after the Socialist Labor Party [PSM] Congress, the Liberal Party-Young Wing declared that you should be outlawed. What is your answer to such a statement?

[Verdet] A simple answer: That is what they would like to happen!

[DEMOCRATIA] However, how did you receive the news about such a position?

[Verdet] I was surprised that a political group that considers itself modern should suddenly display an attitude that is not in accordance with the democratic principles that this group affirmed before. Such a tone is unacceptable for serious politicians.

[DEMOCRATIA] What is the cause of the Liberal Party-Young Wing adopting such a position?

[Verdet] It is simple. There are several people in this party, including Patriciu, who have or hope for a seat in the government. They are also waiting for the elections? Mayors, prefects... Who knows what they might gain.

[DEMOCRATIA] Does the PSM see any connection between this position and the fact that the Liberal Party-Young Wing has signed the well known Charter for Democracy [recently signed by the National Salvation Front and several other parties]?

[Verdet] Yes. Therefore, the surprise is not a surprise for us any longer. Not because of the Charter but because of those who, looking for a "bone," deviate from the basic social principles.

[DEMOCRATIA] What would you tell Patriciu directly?

[Verdet] I would simply ask him: What are you? A former secretary of the Romanian Communist Party [RCP] organization. Have you already forgotten? We do not accuse you of having held that function. But whom are you serving now? Mr. Patriciu, what kind of investigation do you want in connection with the Social Democratic Party Congress, considering that its proceedings were attended not only by the rightist press but by the international press as well, including the most critical one in the West, that is, the BBC? Investigation is carried out when something is hidden. We are not hiding anything.

[DEMOCRATIA] However, they spell out three severe accusations...

[Verdet] Yes. The fact that we have criticized privatization, that we have had our say on the issue of the RCP patrimony, and that we asked for an amnesty for those involved in masked political processes. Let us begin answering in a systematic order. First of all, the accusation that the PSM attacks privatization as such is a gross lie. On the contrary, we support privatization, but in a form that will ensure the protection of the national wealth and protect the people who actually created those immense values. We do not believe that privatization means to leave to the mercy of crooks everything that this nation has created in long years of work. Thus, we do not criticize privatization, but the privatization law, which is another matter altogether. Is this a blow to the state? Mr. Patriciu told a gross lie! Well, we are only one of the many parties that have made remarks about the privatization proposals. Then let us condemn all of them! Unlike others, we declare that without a policy of investments—which should be completely uniform—and without creating jobs, without a prudent and effective fiscal policy, social protection cannot be ensured and unemployment cannot be fought. Likewise, we are criticized for not admitting investments of foreign capital. This is another lie. We admit it. However, we want national protection in this case, too. We cannot possibly let ourselves be subjugated and robbed by foreigners. We were also criticized by "young" liberals for asking for social protection for young couples. What have we done wrong here? Where and how can young couples start their life under the current circumstances, if everybody forgets about them? Is this opinion a so called "extremist action" directed against the security of the state?

[DEMOCRATIA] Did the congress discuss the issue of state security?

[Verdet] When we are talking about a congress, adopted decisions should be discussed. However, there is no such decision. Since when—we ask ourselves—has taking a responsible position toward the national wealth and condemning destruction meant "undermining"? We are surprised that at the same time as it attacked so many structures in an abominable way—the current leadership, the president, the Parliament, the government, and the Romanian Information Service—they are shamelessly telling us that we are against... national security! Our views are contained in the report. National security must be strengthened as soon as possible and without political submission.

[DEMOCRATIA] What about the issue of RCP patrimony?

[Verdet] There is a gross lie on this issue as well. We do not claim that patrimony for the benefit of the PSM. We just say that it is the right of the 3.8 million RCP members to decide, each of them separately, what happens to the money that derives from their own work. Is there anything here against the state? We never said that we are the heirs of that patrimony. However, the PSM members who formerly were RCP members can claim their right, including the right to ask for clarification of

this situation. In terms of the old prices, the patrimony was 43 billion lei. How much is that today? Can one ignore such wealth? Can such wealth be hidden? If we talk in terms of cash only, that amounts to 2.3 billion lei and over 200 million dollars. Where is that money? Why are they cross with us for asking this question?

[DEMOCRATIA] The last attack is connected with the request to pardon those who are being detained...

[Verdet] We declare clearly: Most of those trials are a sham. They are political trials that are unacceptable in our times. They want to sentence us too, because we voice people's dissatisfaction. However, dissatisfaction existsm and it was expressed in the PSM Congress because, in a state of law, dissatisfaction cannot be hidden through persecution. We tell Mr. Patriciu the following: our party exists and has hundreds of thousands of members and sympathizers. What is more convincing than that?

Utilization of IBRD, G-24 Credits Discussed

AU0309175391 Bucharest ROMPRES in English 1050 GMT 3 Sep 91

[Text] Bucharest, ROMPRES, 3/9/1991—In October G-24 will grant Romania the first 125 million U.S. dollar tranche adding to which are 100 million U.S. dollars from Japan under the loan agreement between the European Economic Council and Romania.

The accord stipulates the granting of a 500-million U.S. dollars loan to be used to support the balance of foreign payments and consolidate the currency reserves of Romania, the Romanian Agency for Development reports. The reimbursement term for this loan is seven years.

Of the one billion U.S. standby credit granted to Romania under an agreement with the International Monetary Fund 598.78 million U.S. dollars have already been paid of which 346.78 million for compensation and emergencies.

The first 87.36 million U.S. dollar tranche was paid of the three to be granted in the third and fourth quarters of 1991 subject to compliance with IMF terms.

This loan stretches on a five-year period of which three years are the grace period, said a spokesman of the Romanian Agency for Development.

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In order to back economic reforms in Romania the International Bank for Reconstruction and Development [IBRD] granted substantial credits to be used for five main purposes: 180 million U.S. dollars for technical assistance and urgent imports, 150 million U.S. dollars for the improvement of health assistance, 24 million U.S. dollars for technical assistance for the infrastructure, 100 million U.S. dollars for the development of agriculture and 300 million U.S. dollars for structural adjustments in the economy.

These credits will be used over 1992-1995 and will materialize in imports in the fields of energy, transport, telecommunications, agriculture mechanization, restructuring of the health system, the pharmaceutical industry included, the development of projects under the PHARE [Economic Reconstruction Aid for Poland and Hungary] programme, to back privatization in agriculture, by reequipping farm machinery building industry, to finance a study of Bucharest's water supply and sewerage system.

The loans will also be used to maintain Romania's balance of foreign payments, the Romanian agency for development reports.

Federal

Mesic Urges Compliance With Cease-Fire

AU0309204491 Belgrade RTV Sat TV in Serbo-Croatian 1730 GMT 3 Sep 91

[Statement by Stjepan Mesic, president of the SFRY Presidency, to the Yugoslav people—recorded]

[Text] Just before the beginning of this newscast, we received a statement by Stjepan Mesic, president of the SFRY Presidency, made after today's working meeting of the Presidency. Stjepan Mesic wished to address the Yugoslav people with the following statement:

[Mesic] As is known to our people and to the world at large, the agreement on cease-fire and the memorandum on the consent to extend observers activities of the EC in Yugoslavia were signed in Belgrade the night before last. The fact that these two documents were accepted by all relevant political factors in our country represents a significant prerequisite and a firm basis for stopping conflict, establishing the much-needed peace, and beginning principled and substantial democratic talks about the future rearrangement of the Yugoslav community.

The first and decisive step in this is represented by an effective cease-fire, particularly in the Republic of Croatia, stopping the use of force, and unconditionally refraining from opening fire and all kind of armed conflicts on the part of all armed formations.

According to the spirit and letter of the Cease-Fire Agreement and the Memorandum on Extending Observers Activities, a cease-fire should be implemented without delay. As is known, the agreement prescribes that the use of force should be stopped immediately, that all armed formations and all persons carrying arms should refrain unconditionally and without delay from opening fire and from activities which may cause armed conflicts. All belligerents should without delay stop all further movements, apart from those with the aim of withdrawing in order to avoid direct contacts. All paramilitary forces and all irregular units should be disarmed and dissolved. Of course, this does not apply to police forces. The Yugoslav People's Army should return to barracks, and the reserve forces of the National Guard Corps should be demobilized.

The Presidency has concluded that it should ask the Yugoslav People's Army to immediately appoint representatives who, together with the representatives of the Croatian authorities and the representatives of the Serbian people in Croatia included in the hostilities, will comprehensively and efficiently control the cease- fire.

Unfortunately, we are witnessing the fact that, even after the aforementioned documents have been signed at several places in the Republic of Croatia, armed conflicts and provocations have continued. Regardless of the contradictory information about causes and consequences of these conflicts, it is deeply disturbing that the obligations taken are not being respected and that new destructions and violations of the cease-fire to which all conflicting sides are obliged are continuing.

All this is bringing new dangers and risks into an already difficult situation, something for which sanctions must be borne. This already reflects negatively in the EC organs and in the rest of the world.

In this connection, I am calling on all belligerent sides and individuals to immediately and unconditionally comply completely with the provisions of the agreement regarding the cease-fire. War must stop, because it does not solve anything and produces only grave suffering and destruction and sows hatred and distrust.

A total cease-fire is also necessary so that the observers mission can perform all its functions and tasks. Leaders of formations which violate the truce and fail to stop firing will bear grave responsibility before our people, before Europe, and before the rest of the world.

The country is facing a great test and an extremely dangerous risk that can affect all our citizens, all parts of Yugoslavia and even Europe. Therefore, I call on every citizen to refrain from any activity which could aggravate the situation and to make his own contribution to peace and freedom.

In the name of peace, democracy, and human freedoms, the SFRY Presidency expresses its resolve to have all obligations met in full. This is essential for establishing peace, removing all violence, and democratically solving existing problems in a peaceful way with the full cooperation of all political factors in our country and with a corresponding commitment of the EC. Everyone is obliged to express the maximum political will and responsibility in order to meet these obligations.

Defense Ministry Sends Message to EC President

LD0309191691 Belgrade TANJUG in English 1749 GMT 3 Sep 91

[Text] Belgrade, September 3 (TANJUG)—The Yugoslav Defence Ministry today sent a message to President of the European Community (E.C.) Council of Ministers Hans van den Broek to inform him about the attacks on Yugoslav People's Army (JNA) units and facilities by the Croatian Guard and police, after a ceasefire agreement was signed in Belgrade on September 2.

The message, sent also to the Yugoslav State Presidency, the Yugoslav Government and the presidents of the Yugoslav republics, outlined 11 attacks, including mortar fire opened on the barracks in Petrinja yesterday and an attack on the barracks in Osijek which is still underway.

The message said two soldiers and two reservists were killed and 12 JNA members wounded in the attacks.

The Croatian Guard and police opened fire at JNA units in barracks, although they "were not performing combat or any other activity," as set out in the message.

"Croatia's armed formations are flagrantly violating the recently signed ceasefire agreement and the memorandum on extending the activities of the observer mission in Yugoslavia," the ministry said in the message.

"The scale, the intensity, and the violence of the attacks on JNA units and facilities indicate that an all-out attack on JNA units is underway, regardless of the fact that they have been stationed in barracks and have not provoked any of such actions," the message said.

Secretariat: YPA Not Responsible for Violations

LD0309160991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1331 GMT 3 Sep 91

[Text] Belgrade 3 Sep (TANJUG)—The Federal Secretariat for National Defense [SSNO] finds it regretfully necessary to inform the entire Yugoslav public that armed and other attacks on members, units, and facilities of the Yugoslav People's Army [YPA] have remained in the Republic of Croatia despite the ceasefire agreement and the memorandum on extending the monitoring activities of the observer mission in Yugoslavia signed on 2 September. Since the time the agreement and the memorandum were signed, the armed formations of the Republic of Croatia have carried out 11 attacks on units and facilities of the YPA, killing four and wounding 12 members of the YPA. A number of civilians have been either killed or wounded. Considerable material damage has been caused, the SSNO stressed in its statement today.

At the same time, the blockade of military facilities has intensified. All approaches [words indistinct] internal affairs, and the National Guard Corps of the Republic of Croatia have been continuously threatening the safety and basic human rights and freedoms of the YPA members and their families. [words indistinct] and in some cases hampering the supply lines for military units, cutting off electricity, water, and other [words indistinct] needs.

The SSNO wishes to reitarate that the YPA has been strictly observing all the SFRY Presidency decisions on a complete and unconditional cease-fire in the Republic of Croatia, the joint declaration of 7 July, and the cease-fire agreement of 2 September 1991. In none of these cases, has the YPA provoked armed conflicts or opened fire first. As in the latest events, the YPA fired only in self-defense and to protect the lives of its members. This is illustrated by the fact that the majority of armed attacks were carried out on YPA units, barracks, and supply vehicles, and on YPA railway and road transport columns in transit through the Republic of Croatia. The leadership of the Republic of Croatia stubbornly ignores the truth about the armed conflicts and continues to use its entire political-propaganda and information mechanism to depict the YPA as provoking incidents and an alleged [words indistinct] on the territory of Croatia.

In addition, attacks on the YPA over the past thirty hours, and their false interpretation, are primarily aimed at bringing international discredit on the YPA and at the extortion of a decision on the withdrawal of the Army units into barracks before the Republic of Croatia fulfills its obligations stemming from the agreement on the cease-fire and the memorandum it signed with the European Community. If the Croatian leadership signed these documents, the question then arises why attacks on the YPA are taking place irrespective of where its members or units are stationed [words indistinct], during its previously announced movements, and during other non-combat activities.

Bearing in mind that members and units of the Yugoslav People's Army did not do anything to provoke the outburst of conflicts after the EC agreement and memorandum had been signed, it is surprising that the German foreign minister, without any previous consideration of the real facts, should as early as the evening of 2 September accuse the YPA of conflicts that occurred that day, and should warn that EC foreign ministers would have to take certain steps.

The Federal Secretariat for National Defense, observing the provisions of the agreement and the memorandum dated 2 September, reiterated its explicit order to all YPA units not to be the first to open fire and secured its consistent observance. Therefore, reasons for outbursts of fresh conflicts in the Republic of Croatia should be sought outside the Yugoslav People's Army [passage indistinct] information will be made public, the statement of the Federal Secretariat for National Defense says in conclusion.

International

Bonn Calls Ambassador On Cease-Fire Violations

LD0309135491 Belgrade TANJUG in English 1235 GMT 3 Sep 91

[Text] Bonn, Sept 3 (TANJUG)—Yugoslav Ambassador in Bonn Bogdan Frlec was last night summoned to the Bonn Foreign Ministry, where 'Germany's concern and utter lack of understaning about violations of the ceasefire' were conveyed to him.

The ambassador was informed about the 'serious consequences violations of the ceasefire will have for those responsible.'

The protest by the Bonn ministry was made at the instructions of Foreign Minister Hans-Dietrich Genscher.

It was explained that this was done because the 'government in Bonn last night received reliable information

(?that the) Yugoslav People's Army (JNA), in contravention of the agreement with the European Community on a ceasefire, is continuing armed actions in Croatia.'

According to last night's announcement by the Federal Defence Ministry and military sources in the field, the ceasefire was violated at noon yesterday when members of the paramilitary forces of Croatia attacked a barracks near the small town of Petrinja, about 100 kilometres east of the republican capital Zagreb.

Minister Genscher also informed Foreign Minister of the Netherlands and E.C.President Hans van den Broek about the protest lodged with the Yugoslav ambassador.

There are at present no other details about Germany's intentions. More could be learned today in The Hague, where an extraordinary ministerial meeting of the E.C. on Yugoslavia is taking place.

Customs Seizes Uganda Airlines Airplane

LD0309141491 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 3 Sep 91

[Text] The Federal Customs Administration has decided to seize the Uganda Airlines Boeing 707 loaded with weapons weighing more than 18 tons that was forced to land at Zagreb airport on 31 August, the Federal Executive Council's [FEC] Information Secretariat has reported. All weapons and military equipment—worth $1.36 million—were also seized, while Anton Kikas who was aboard the plane was fined 20 million Yugoslav dinars, or $1 million because of an attempt to smuggle the weapons into our country, the FEC's Information Secretariat has reported.

EC Ministers Adopt Declaration on Cease-Fire

LD0309205391 Belgrade TANJUG in English 1952 GMT 3 Sep 91

[Text] The Hague, September 3 (TANJUG)—The European Community on Tuesday called on "all parties" in Yugoslavia to "respect strictly their obligations" under the ceasefire agreement and the memorandum of understanding on extending the E.C. monitoring activity to include Croatia.

In the declaration, adopted on Tuesday at the E.C. foreign ministers' extraordinary meeting in The Hague, the European Community announced that "acting under assumption" that the ceasefire was being observed a peace conference on Yugoslavia will be convened in The Hague on September 7, when an arbitration procedure would also be set up.

The E.C. stated the readiness to immediately enlarge its monitoring mission to include also participation by a number of representatives of other CSCE participating states.

The declaration states that a conference on Yugoslavia in The Hague would be attended by the Yugoslav Presidency, the Federal government and the presidents of the six republics. The work of the conference would be presided by Lord Carrington.

The conference is expected to adopt mechanisms to "ensure peaceful accommodation of the conflicting aspirations of the Yugoslav peoples". This is to be carried out on the basis of the principles that there can be no unilateral change of borders by force, that the rights of all in Yugoslavia must be protected and that full account must be taken of all legitimate concerns and legitimate aspirations.

The declaration, among other things, cites that to the arbitration commission would be submitted for consideration the disputed questions and that the results of its work would be put back to the conference.

The E.C. also states the readiness to continue monitoring activities "as long as will be needed for the conference to be successful."

In conclusion of the declaration text, it is set out that the Community hoped the situation in Yugoslavia would enable as soon as possible the activation of financial protocols concluded with Yugoslavia and stresses that it was ready to extend urgent aid to victims of violence.

Delors Threatens Sanctions If No Peace

LD0309182291 Belgrade TANJUG in English 1527 GMT 3 Aug 91

[Text] Paris, September 3 (TANJUG)—The members of the European Community are ready to resort to sanctions against Yugoslavia, unless the "Belgrade agreement" is seized as the last chance for peace, as president of the EC Executive Commission Jacques Delors told a news conference here today.

Delors held the news conference just ahead of leaving for a special session of the EC Council of Ministers in Brussels today, which will be devoted to the working out of the Belgrade documents for settling the Yugoslav crisis.

Delors said the EC might impose economic sanctions against Yugoslavia should the new accords fail.

He set out that the Yugoslav People's Army had not played the role it was assigned, making it clear that it was fighting against the Croatian forces. Delors also said that EC members would probably have recognized Slovenia and Croatia, had Serbia not accepted the EC declaration on Yugoslavia.

The EC today in Brussels will search for a solution to the crisis, based on democratic principles, the peoples' right to self- determination, the inviolability of borders and respect for minority rights, Delors said.

The EC has not yet sufficiently consolidated and was therefore unprepared for the Yugoslav crisis as, otherwise, interposition forces would have been sent to Yugoslavia, as Delors said.

French Foreign Minister Roland Dumas stated in Paris today that the EC plan for holding a peace conference on Yugoslavia was practically initiated by France.

Kostil Accuses Van den Broek of Improper Conduct

LD0309215191 Belgrade TANJUG in English 1904 GMT 3 Sep 91

[Text] Titograd, September 3 (TANJUG)—Vice-President of the Yugoslav State Presidency Branko Kostic has accused Hans Van den Broek, the foreign minister of Holland which currently holds the rotating presidency of the E.C. Ministerial council, for 'his highly undiplomatic conduct.'

In an interview to the Titograd daily POBJEDA published today, Kostic said all efforts would fail and prove futile if the observer mission adopts the same conduct as Van den Broek and is not ready to talk and tackle the problems and seek compromise solutions acceptable for the both sides.

Kostic is the only one of the Presidency's eight members who showed reservations towards the agreement on ceasefire in Croatia, signed by the Yugoslav and E.C. representatives.

Kostic said van den Broek had rejected every possibility of 'amending the document which he had brought along to be signed.'

Van den Broek also rejected a series of remarks to the proposed wording of the agreement, Kostic set out.

'I abstained and did not attend the ceremonial signing of the acts in order to draw attention to the problems which we and the E.C. would face already tomorrow when we try to implement what was agreed,' Kostic said.

CSCE Supports Cease-Fire Agreement in SFRY

LD0409021691 Belgrade TANJUG in English 2134 GMT 3 Sep 91

[Text] Prague, Sep 3 (TANJUG)—In a document adopted at its session devoted to the situation in Yugoslavia, the Crisis Committee of the Conference on Security and Cooperation in Europe (CSCE) fully supported the cease-fire agreement and the memorandum on the extension of the European Community (EC) observer mission to the Republic of Croatia.

In the statement on the cease-fire in Yugoslavia, the CSCE committee welcomed the EC's initiative for convening a peace conference on Yugoslavia.

"We strongly demand that all political and military bodies in Yugoslavia cooperate fully and without restrictions with the observer mission and guarantee personal safety to its members," the statement underlined.

Antall Calls Talks With Markovic 'Successful'

LD0309172191 Budapest Kossuth Radio Network in Hungarian 1600 GMT 3 Sep 91

[Text] Prime Minister Jozsef Antall, who held a two and a half- hour private talk with Yugoslav head of government Markovic, has called his talks in Subotica successful. Eva Cseh, our special correspondent, reports:

[Cseh] Hungary wishes to have good-neighborly relations with Yugoslavia and with all its republics. This is important in the interest of stability, from the point of view of all countries of the region. According to Hungary's position, where a multi- national state has evolved, the principles of the right to national self-determination and the rights of the minority, as well as the principle of individual and local autonomy, must prevail, and the prime minister of Yugoslavia agreed with these principles.

This was stated by Prime Minister Jozsef Antall, at Subotica, after a private discussion lasting over two and a half hours with Yugoslav President Ante Markovic. Jozsef Antall asserted that this working meeting was successful because the two leaders also agreed that a confederation, a state alliance of sovereign republics, should prevail in Yugoslavia.

The Markovic government must be given a large role in the resolution of the crisis, Jozsef Antall pointed out. He also said that the external and internal borders cannot be changed through force.

In these grave hours, when in spite of the cease-fire agreement, fighting is still going on and thousands of refugees are leaving the country, the Yugoslav and the Hungarian Governments must join forces, so that there should be peace as soon as possible, and so that the crisis may be resolved through negotiations, the Hungarian premier said at the press conference in Subotica.

Federal President Markovic promised that the refugees will be able to return unharmed to Croatia after the fighting. The leaders also agreed that they regard the previous conflict between the two countries to be closed. Thus, there will be no further talk of the sale of Hungarian arms to Croatia, or of flights of Yugoslav fighters into Hungarian territory.

At this moment, Prime Minister Jozsef Antall is meeting, in the Palic Palace, representatives of the Democratic Community of Magyars in Vojvodina. In the meantime, people in Subotica are preparing for an evening rally held by Draskovic, the nationalist leader of the Serbian Renaissance Movement.

Antall Invited to Visit

LD0309193391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1723 GMT 3 Aug 91

[Excerpts] Subotica, 3 Sep (TANJUG)—[passage omitted]

In the talks between two prime ministers [Markovic and Antall], organized at Jozsef Antall's initiative, the heads of the governments of the two countries emphasized the principle of inviolability of internal and external borders of Yugoslavia, which cannot be changed by force or by unilateral acts. [passage omitted]

Premier Ante Markovic stressed that the federal government will do everything to fulfill its share of obligations regarding the latest cease-fire agreement and EC observer missions in Yugoslavia. This refers in particular to the demobilization of all armed formations in Yugoslavia and to insuring a democratic dialogue, proceeding from equal rights of all citizens and republics of Yugoslavia, Ante Markovic stressed.

In relations with neighbors, including Hungary, Yugoslavia will urge the principle of open borders and structural integration, which is a precondition for association with the EC, Premier Markovic said. According to him, the invitation to Premier Jozsef Antall to visit Yugoslavia by the end of this year, is a contribution to such goodneighborly relations. [passage indistinct]

Slovenia

Kucan Deplores Cease-Fire Violations

LD0309160591 Belgrade TANJUG in English 1428 GMT 3 Sep 91

[Text] Ljubljana, September 3 (TANJUG)—The Presidency of the Yugoslav Republic of Slovenia today called on all sides in the conflict in Croatia to abide by the obligations which they have assumed by signing the Belgrade agreement.

This was set out in a message sent by Slovenian Presidency President Milan Kucan to the president of the Yugoslav State Presidency, the federal prime minister, the presidents of Serbia and Croatia, the president of the European Community (E.C.) Council of Ministers and the head of the E.C. observer mission to Yugoslavia.

Kucan in the message expressed deep disappointment over the violations of the ceasefire agreement.

"We are witnessing the most flagrant violations of a ceasefire, and are unable to effect the cessation of war activities as the signatories of the agreement. This fact again focuses our attention on possibilities for resolving the Yugoslav crisis and, primarily, achieving Slovenia's independence in a peaceful and negotiated way," Kucan said in the message.

Kacin Rejects Croatian Claims on Arms Dealing

AU0309180591 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 3 Sep 91

[Gojko Brvar report from a news conference held in the Croatian Assembly on 3 September 1991—live or recorded]

[Excerpts] The hosts of today's news conference had at least two guests whose presence gave them good reason to be nervous. The first one was our Information Minister Jelko Kacin, who directly refuted the latest claims by the Croatian Defense Minister Luka Bebic who said that the cargo in the Ugandan plane was destined for a Slovene supplier. Kacin did not couch his denial in courteous phrases, and when his Zagreb colleague Branko Salaj replied that a misunderstanding was most certainly involved and apologized to the Slovene side, the atmosphere did not improve much. [passage omitted]

We will remember the news conference in Zagreb also because of its new interior design. The background has lost the pompous Croatian coat of arms and is now far more contemporary. It is rumored that this is a contribution of the latest assistant to the Information Minister, shamelessly young Vinko Grubisic, who has allegedly already been reproached for his departure from the previous, occasionally kitschy, Croatian symbols. [passage omitted]

A careful listener to the newscasts will not have missed the fact that no major attacks by the Serbian rebels have taken place since yesterday. However, the Yugoslav Army has become considerably more active. The local circles here believe that the instructions for this are not arriving from Belgrade, but rather that we are witnessing fairly autonomous actions taken by the commanders of the individual commands, corps, and garrisons.

Government Denies Ties To Arms Plane

LD0309211491 Belgrade TANJUG in English 1958 GMT 3 Sep 91

[Text] Belgrade, Septemebr 3 (TANJUG)—The Yugoslav customs administration has confiscated a Ugandan Airlines Boeing 707 involved in last Saturday's attempt to smuggle 19 tonnes of arms to the Yugoslav Republic of Croatia, the Yugoslav Government Information Secretariat announced today.

All arms and military equipment, worth 1.36 million dollars, which were on board the plane, have also been confiscated, the secretariat said.

Anton Kikas, a Canadian citizen of Croatian origin, who coordinated the action, was fined 20 million dinars (around one million dollars) for attempting to illegally smuggle arms to Yugoslavia.

Yugoslav Air Force planes forced the Ugandan Airlines plane to land at the Zagreb airport [at] Pleso on Saturday, since there were indications that it was carrying arms for Croatia.

Kikas himself later confirmed that the arms were intended for Croatia's para-military formations.

Kikas is the president of the Croatian businessmen's association of Toronto, which secured the funds for the purchase of the arms.

The pilot of the Ugandan plane requested permission to land at the airport in Ljubljana, the capital of the neighbouring Yugoslav Republic of Slovenia.

Slovenian Infromation Minister Jelko Kacin today rejected Slovenia's either 'direct or indirect' involvement in the affair.

At a news conference in Zagreb, Kacin denied Croatian Defence Minister Luka Bebic's statement that the 'plane was perhaps flying for a client from Slovenia.'

Kacin categorically denied that any contractor in Slovenia would conclude any armament deals whatsoever.

According to him, the Ugandan plane was not announced to the Ljubljana airport, nor was the airport ready to receive it.

Slovenian President Milan Kucan yesterday also denied rumours on Slovenia's involvement in the incident.

Slovenia and Croatia proclaimed independence on June 25.

Markovic Says Slovenia Remains in Federation

LD0409151891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1312 GMT 4 Sep 91

[Text] Belgrade, 4 Sep (TANJUG)—"Your signature on the cease-fire agreement proves that Slovenia is still a part of Yugoslavia. Otherwise, the European Community would not insist that the signature of the Republic of Slovenia should be by the side of the host", Federal Executive Council [FEC] President Ante Markovic stresses in a reply to a letter of Slovene President Milan Kucan.

The FEC Information Secretariat revealed today that the President of the Presidency of the Republic of Slovenia, Milan Kucan, sent a letter to FEC President Ante Markovic on 3 September, saying, among other things, that the Slovene Presidency "is deeply disappointed over breaches and violations of the cease-fire agreement, signed in Belgrade on Monday". The signatories of the cease-fire agreement cannot influence the cessation of the renewed hostilities, the letter says. Kucan called for the cessation of hostilities and voiced hope that the EC will do everything in its power for the Yugoslav crisis to be resolved in a peaceful and democratic manner and for Slovenia to realize its independence and to gain international recognition.

In reply to Kucan, Markovic stresses: "I fully share your concern over the continuation of armed conflicts resulting in fresh casualties and enormous material destruction." This shows that, the letter of Prime Minister Markovic emphasizes, despite the signatures on the Belgrade agreement and memorandum, the conflicting parties are not willing to start resolving the Yugoslav crisis in a peaceful and democratic way, which the FEC has been urging since the very first day of its mandate.

In connection with the realization of independence of the Republic of Slovenia and its international recognition, Markovic reminds Kucan that by accepting a declaration on Yugoslavia dated 27 August 1991, Slovenia accepted a stand of the European Community that the Community and its members will never approve of the policy of fait accompli and "the redrawing of borders through the use of force." "Your signature on the cease-fire agreement proves that Slovenia is still a part of Yugoslavia. Otherwise, the European Community would not have insisted that the signature of the Republic of Slovenia be placed on the agreement," Markovic's letter stresses.

The FEC will, the letter goes on to say, within the limits of its constitutional powers consistently and efficiently carry out obligations and tasks stemming from the Belgrade agreement and memorandum.

However, Markovic's letter says, the FEC has no power in the sphere in which the SFRY Presidency acts as the Supreme Command. In addition, the FEC powers are very limited in light of the fact that completely new legal systems have been set up in republics. In the document on the functioning of the country in the moratorium period, the FEC put forward its proposals on how to remove that discrepancy until an agreement on future relations within the Yugoslav community has been reached; these proposals have not been met with adequate support and readiness to be implemented.

Bearing all this in mind, Markovic stresses in his reply to Kucan, the FEC activities themselves cannot result in the overcoming of conflicts in Croatia nor in settlement of the Yugoslav crisis, if there is no readiness of all other factors involved, primarily the SFRY Presidency and the republican leaderships.

Croatia

Official Accuses Army of Violating Truce

AU0309111991 Belgrade Radio Belgrade Network in Serbo-Croatian 1100 GMT 3 Sep 91

[Text] Vladimir Seks, commander of the Crisis Staff for the defense of East Slavonia and Baranja, accused the Yugoslav People's Army of violating the truce. Seks said at a news conference in Osijek that the civilian population in this town has again been subjected to crimes, and that the Croatian defense units observe the truce. The

head of the Crisis Staff did not present any precise data on possible casualties and destruction in Osijek.

The Command of the Osijek garrison has categorically denied the claim that Yugoslav People's Army had opened mortar fire on this town. Shooting in Osijek stopped shortly after 1100, but the citizens are still advised to remain in their shelters.

Croatian Radio reported that three dead and nine wounded persons were brought to the city hospital.

Croatian Refugee Figure Reported at 83,582

LD0309130291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1239 GMT 3 Sep 91

[Text] Belgrade, 3 September (TANJUG)—Yesterday alone 3,070 refugees came from Croatia to Serbia, thus making the overall number of refugees today from Croatia in Serbia 83,582.

According to today's report of the Serbian Red Cross, 45,776 are in Serbia proper, 37,701 in Vojvodina, and 105 in Kosovo and Metohija.

Osijek Warned on Possible Air Attack

LD0309155391 Belgrade TANJUG in English 1414 GMT 3 Sep 91

[Text] Osijek, Sept 3 (TANJUG)—The inhabitants of Osijek today were warned that there is a possibility of an air attack on this central Croatian city. This warning issued by the Osijek air raid alarm center was reiterated several times over Studio Osijek, Croatian Radio.

The citizens of Osijek were warned not to leave their bomb shelters since, as set out, Yugoslav Air Force planes were noticed on two occasions in the suburban settlements.

Fresh armed clashes also broke out in and around Osijek early this morning.

Croatian Radio accuses armed Serbs and the Yugoslav People's Army of starting the attack on the city with mortar fire. Military organs report that the clashes started this morning around 06:00 local time, with armed attacks by the Croatian forces on army units stationed at "test range C" near Osijek.

According to a statement by a doctor at Osijek hospital, so far two dead persons (one Croatian policeman and a little girl) and ten wounded, five of whom are civilians, have been admitted to hospital.

According to TANJUG's reporter in Osijek there has been a lull since 1100, but shooting and detonations can still be heard.

'Chetnik Terrorists' Bomb Adriatic Bridge

LD0309185191 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 3 Sep 91

[Text] Some news just in: This evening just before 1900 [1700 GMT], Chetnik terrorists attacked the (Martunicki) bridge on the Adriatic highway, some 30 km from Zadar, from the direction of Obrovac, that is from the direction of Muskovci, a stronghold for Chetniks and the army of aggression. In a very short space of time, several grenades were fired from 120 mm guns and 152 mm howitzers. Three hit the bridge and damaged it. As a result, the bridge is closed to traffic. The attack is still under way.

General Assails Croatian Attacks on Army

LD0309190191 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 3 Sep 91

[Excerpt] At a news conference this afternoon Lieutenant Colonel General Marko Negovanovic, speaking about the situation in crisis areas, severely accused Croatia of violating the EC documents by constantly attacking Army units whenever possible. The scenario is such, he said, that first a possible target is chosen, then the news is spread that the Army was the first to attack which is then followed by an attack by the Croatian Ministry of Internal Affairs [MUP] and the Croatian National Guard Corps [ZNG]; so it appears in the end that the MUP and ZNG are those who defend and not those who deliberately provoke. The logic of such a scenario, as Gen. Negovanovic said, is to irritate the EC, particularly circles close to Croatia, and thus extort the recognition of independence in a quick way. A public statement which was sent to foreign states, particularly to the signatories of the EC document, quotes examples when the Army was attacked and the number of casualties involved.

General Negovanovic said that the Croatian side presents everything in a forged way. In reply to a foreign journalist's question on who should be trusted, Seks—who claimed today that the Army is the violator of cease-fire—or the Army, Negovanovic replied that the Army only presents material truth, while everything else is just futile talking. He labeled Genscher's intervention as a desire of the influential diplomat to discredit the Yugoslav People's Army and force it to withdraw to barracks before Croatia has fulfilled its obligations. The Yugoslav Army does not opt for reaching a solution through the use of force, Negovanovic said. [passage omitted]

Greguric Asks For Emergency Presidency Session

LD0309213391 Belgrade TANJUG in English 1911 GMT 3 Sep 91

[Text] Zagreb, September 3 (TANJUG)—Premier of the Yugoslav Republic of Croatia Franjo Greguric on Tuesday requested that an emergency session of the

Yugoslav State Presidency be held today to 'examine the continued aggression on Croatia.'

Greguric sent the request to Yugoslav Presidency President Stjepan Mesic.

On the behalf of the Croatian Government, Greguric asked the Yugoslav Presidency to order the Yugoslav People's Army (JNA) to withdraw to barracks.

The letter also calls on the 'Presidency of Yugoslavia to condemn the violation of the ceasefire by the JNA and, as the supreme commander of the Armed Forces, to order the JNA to abide by all the provisions of the ceasefire agreement.'

The JNA, which is acting as a buffer in Croatia, has on many occasions been involved in armed clashes with the Croatian police and National Guard. In all these cases, including those yesterday, the JNA said it had not opened fire first, but only responded to attacks by Croatian forces.

Tudjman Contacts EC's Van den Broek

LD0309214191 Belgrade TANJUG in English 1900 GMT 3 Sep 91

[Text] Zagreb, September 3 (TANJUG)—President of the Yugoslav Republic of Croatia Franjo Tudjman on Tuesday sent a letter to president of the European Community (E.C.) Council of Ministers Hans Van den Broek informing him about 'violations of the agreement on a ceasefire' in the Republic, Croatian Foreign Minister Zvonimir Separovic told a government session here today.

Separovic said he had himself sent a similar letter to Austrian Foreign Minister Alois Mock.

He did not, however, reveal the contents of the two letters.

Judging by the discussions at the government session, the Croatian authorities accuse the Federal Army for the continuation of the clashes in the Republic, despite the new ceasefire agreement signed on September 2.

Some ministers raised the question of the responsibility of Yugoslav Presidency President Stjepan Mesic, a Croat, and demanded that he 'publically state if the Army has turned renegade on its supreme command.'

The Yugoslav State Presidency is the supreme commander of the Yugoslav Armed Forces.

The federal Defence Ministry today accused the Croatian side of not respecting the ceasefire and said the Army was using arms only in cases when it was attacked first.

Croatian ministers today warned that the ceasefire agreement and the memorandum on E.C. observer missions in Croatia must not 'lower the republican armed forces' readiness for defence or weaken the intensity of efforts for Croatia's international recognition.'

The Croatian parliament adopted a decision on Croatia's independence on June 25.

10 Croatian Guardsmen Killed in Bilje Attack

LD0309220191 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 3 Sep 91

[Text] According to initial reports, 10 guardsmen died in an attack on Bilje carried out by the aggressor. The bodies of seven guardsmen were taken to the Darda police station. Three other bodies of killed members of the National Guard Corps are in the village of Dvorci, near Bilje.

Greguric Urges Arms Purchase, Manufacture

LD0409021391 Belgrade TANJUG in English 2341 GMT 3 Sep 91

[Text] Zagreb, September 3 (TANJUG)—Croatia does not have enough arms for an expansion of war conflicts such as currently is taking place, prime minister of the Yugoslav Republic of Croatia Franjo Greguric told a press conference on Tuesday evening.

Croatia has therefore begun manufacturing its own arms, said Greguric, adding that "we are also buying them as much as we can."

"We do not have aircraft and tanks but we have light infantry arms, as well as anti-tank and other weapons. Others get from the Army arsenals what we must manufacture ourselves or buy," said Greguric.

"We are very keen to establish peace," he said, adding that Croatia would not be the first to attack but that it would defend itself resolutely.

Speaking about today's violations of the cease-fire agreement, signed in Belgrade on Monday, Greguric said that "due to the escalation of war operations aimed at Osijek and Vukovar (eastern Slavonia), a request has been sent to the Yugoslav Government and the European Community Council of Ministers to urgently intervene and stop the aggression. "We will not be able to pursue a pacifist policy for long," he said.

Referring to Croatia's international recognition, Greguric said that "recognition alone will not solve everything but it will come as a moral support to the suffering Croatian people."

In his view, it would also provide for a legal framework for a "speedier liberation of the occupied Croatian territories."

Precisely by recognizing Croatia, Europe would help it the most at present, he said.

Asked whether the government would negotiate with the authorities of the so-called Serbian Autonomous Region of Krajina, Greguric said that negotiations would be sought "with legally elected representatives of the Serbian people in parliament, not with terrorists."

Serbians Halt Traffic; Mortar Attacks in Progress

LD0409064791 Zagreb Radio Croatia Network in Serbo-Croatian 0600 GMT 4 Sep 91

[Text] According to the latest information coming from the crisis headquarters for the defense of Nova Gradiska, Serbian terrorists wearing the uniforms of Martic's outlaws, assisted by Serbian reservists in Army uniforms, this morning stopped all traffic on the Zagreb to Belgrade motorway near the Vrbovljani junction outside Okucani. They are controlling all roads to and from Okucani. The Army has been bringing in reinforcements to its reserve units from Stara Gradiska. The advice from the crisis headquarters is not to use this road to Zagreb and not to appraoch the area, since mortar fire can still be heard there.

According to the Croatian defense forces, the terrorists from Okucani began bombing at about 0100 this morning with an attack on the village of Kosovac using five grenades. At about 0545 this morning Kosovac came under fierce mortar attack when about 60 grenades fired on the village damaged and destroyed six houses and farm buildings. There was also firing overnight in the village of Gornji Bogicevci. The villages of Pivare and Nova Varos are still under a tank and grenade attack from the Army and Serbian reservists stationed near Stara Gradiska. According to as yet unconfirmed reports, three guardsmen sustained serious injuries and one was killed.

Dozens of mortar projectiles exploded near the local radio station transmitter. About 15 mines were detonated near the Croatian radio and television transmitter on Mount Psunj.

There is no railway traffic on the railway line between Nova Gradiska, Okucani, and Novska. A report says that the railway line was mined between the stations in Okucani and Novska.

Vukovar Quiet Overnight; No Electricity, Water

LD0409071391 Zagreb Radio Croatia Network in Serbo-Croatian 0600 GMT 4 Sep 91

[Text] Mortar attacks on Vukovar stopped at 2130 last night. It has been quiet overnight and this morning. The town and neighboring villages have been without water or electricity since last night when an 110 kw power line between Vukovar and Vinkovci was damaged. The Croatian Radio Vukovar has been on the air intermittently, using its own generator.

Vukovar, Osijek Area Suffer 'Substantial' Damage

AU0409082391 Belgrade Radio Belgrade Network in Serbo-Croatian 0800 GMT 4 Sep 91

[Text] Our correspondent Mirko Stankovic reports that the town of Vukovar is experiencing hard times. After being seriously damaged, it looks like a ghost town.

Over 150 projectiles were again fired on Borovo Naselje last night. This was in fact Borovo Selo's answer to the mortar fire with which it was attacked earlier. Four persons were killed and 10 wounded. Material damage is substantial.

Osijek, too, was the target of mortar fire from Baranja and some surrounding villages. The first attack was reported yesterday at 0500 and lasted, with some interruption, for over 12 hours. Four persons were killed and 28 were wounded. Material damage there is also substantial.

Slavonija 'Cut Off' From Western Croatia

LD0409090391 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 4 Sep 91

[Report by Vladimir Fajgl]

[Excerpt] The latest attack by Serbian terrorists and members of the Serbo-Communist occupying army on Nova Gradiska and the positions of the Croatian defense forces, and the convergence of the Banjaluka corps units which include a large number of Serbian reservists with the outlaws in Okucani and sections of the Bjelovar corps units, means Slavonija this morning became cut off from the western part of Croatia. Terrorists and the reserve units of the occupying army this morning blocked the Zagreb-Belgrade motorway near Okucani which up to this morning was the only road in operation. [passage omitted]

14 Dead in 3 September Attack on Osijek

LD0409090691 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 4 Sep 91

[Excerpt] [passage omitted] There were two explosions in Osijek overnight. In one case an explosive device went off while the other explosion appeared to have occured within the Milan Stanivukovic barracks in Osijek. The general hospital was fired at at about 2300 last night from the direction of the barracks.

The bodies of 10 guardsmen and civilians who lost their lives while defending the approach roads into the town were brought into Osijek general hospital overnight. This brings the total number of those killed during yesterday's attack on Osijek to 14. Twenty- eight people were injured. Among the dead was a 13-year-old girl killed when a grenade hit a block of apartments in one of the most densely populated parts of Osijek.

'Terrorists' Attack Croatian Defense Forces

LD0409093391 Zagreb Radio Croatian Network in Serbo-Croatian 0900 GMT 4 Sep 91

[Excerpt] Vladimir Fajgl, reporting for Croatian radio:

According to the latest information from the crisis headquarters for the defense of Nova Gradiska, two people—one guardsman and one civilian—have so far been killed and five guardsmen injured in an attack this morning by Okucani-based terrorists and the forces of the occupying army, reinforced by a large number of Serbian reservists, on almost all positions of the Croatian defense forces. All the injured have been taken to the Nova Gradiska hospital. [passage omitted]

Officials Say 'Terrorists' Moving Toward Zagreb

LD0409105291

[Editorial Report] Zagreb Radio Croatia Network in Serbo-Croatian at 1010 GMT on 4 September carries a live relay of a regular news conference by Croatian officials in Zagreb. The news conference is attended by Milan Brezak, Croatian assistant internal affairs minister, and Zvonimir Separovic, Croatian foreign affairs minister. Milan Brezak explains that his decision to dress in a combat uniform is prompted by dramatic developments in Croatia this morning. Speaking about the situation in the republic, Brezak says:

"This morning, the expected attack by terrorists began along the Okucani-Novska-Kutina line. At about 311 kilometers along the [Zagreb-Belgrade] highway, strong terrorist forces are moving in the direction of the city of Zagreb. It is obvious that the terrorists are not giving up their plan—of which we have all been aware—i.e., to wage a battle for Croatia along the line near Okucani, or shall I say, along the vertical at Okucani.

"A large number of terrorists has appeared near Daruvar with the intention of establishing their planned border regardless of the documents signed.

"I also want to inform you that the refinery and the ironworks in Sisak again came under mortar attack; the television transmitter on Mt. Psunj is under constant mortar fire; clashes have been in progress since early morning in the villages around Podravska Slatina; Ernestinovo was hit by about 60 grenades; Laslovo—a small village—was showered by 250 grenades. Following the attack, the Army entered Laslovo half an hour ago.

"I will not speak about details presented to you in a written form, but as you can see, while we are holding this conference the Yugoslav Army and the terrorists are attempting to achieve their goals with full force."

Largest Sisak Collectives Under Attack

LD0409101791 Zagreb Radio Croatia Network in Serbo-Croatian 0930 GMT 4 Sep 91

[Report by Branko Kanizaj]

[Text] At this morning's conference in Sisak in the crisis headquarters for Posavina, Banija, and Moslavina, journalists were told that about 20 minutes ago an attack began on the two largest and most important Sisak collectives: the refinery and the ironworks. Firing is coming from the direction of the Yugoslav Army positions. The implication is that the attack could have catastrophic consequences if the it continues. This is the most topical piece of news at the moment. It has understandably caused a large amount of concern.

An attack is also taking place on the village of Kostajnicki Majur near Kostajnica, where a large number of houses is on fire. A group of villagers has been seized and taken in an unknown direction.

Croatian-owned houses were set on fire overnight in the Petrinja suburb of Slatina where one person was killed when his throat was slit.

Ministry Says Croatians To Attack Zagreb Airport

LD0409110891 Belgrade TANJUG in English 1022 GMT 4 Sep 91

[Text] Belgrade, Sept 4 (TANJUG)—The Yugoslav Defence Ministry said today it 'possesses reliable information' that Croatia's police and national guard 'are conducting intensive preparations for a mass assault' on the military section of Zagreb's international airport in Pleso.

The ministry said in an announcement issued today that the intention of Croatia's forces was to 'capture the military part of the airport at any cost and regardless of the number of casualties.'

'Yugoslav People's Army units have been ordered, while making all possible efforts not to provoke an incident, to use all available means at their disposal to counter an attack and prevent the realization of the intentions of the armed forces of the Republic of Croatia,' the Defence Ministry said in its announcement.

Cease-Fire Violations Continue in Slavonia, Baranja

AU0309135191 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 3 Sep 91

[Mirko Stankovic report]

[Text] It appears that little or no (?attention) is paid to the documents on the truce and the control of the truce in east Slavonia and western Srem. Here is some of the main evidence:

Last night, an armored column was attacked in the village of Berak near Vukovar. One tank was damaged. After that, the Army returned strong fire as a result of which some 50 members of the so-called National Guard were killed or wounded.

This morning, and this information has not yet been confirmed, there was an armed clash between members of Serbian and Croatian nationality in the village of Orolik. There were some casualties.

Members of the Borovo Selo Territorial Defense were again provoked with arms from Borovo Naselje. On this occasion the positions of the units of the Yugoslav People's Army, which are situated between the two warring sides, also came under attack. (?Shortly) after that the army responded energetically.

The Trpinja road and the upper town did not escape heavy mortar fire [words indistinct] either. A citizen, Vojislav Macura, was killed in Radnicka Street. An avalanche of mortar projectiles also came down on the village of Bogdanovci, inflicting substantial material damage.

Responding to a call by Osijek Radio, the employees of this town did not go to work today. This morning, about 0600, their town was attacked with strong mortar fire from the banks of the Drava, or to be more precise, from Baranja. Bilje, the last stronghold of the Croatian Ministry of Internal Affairs and the National Guard in Baranja, has been under fire for several hours already. Fire is coming from the villages of Darda and Mece.

About 50 projectiles fell on Lastovo, that is to say, Resava. The location of explosions and the extent of the material damage have not been established yet.

A real mortar war is being waged in the Vinkovci area, between Mrkusica and Antin, and between Vinkovci and Mirkovci. A curfew was introduced in Vinkovci last night and is in force between 2300 and 0500.

Delegation's Visit to Russia Postponed

LD0409122491 Zagreb Radio Croatia Network in Serbo-Croatian 1010 GMT 4 Sep 91

[Summary] At today's regular news conference in the Croatian Assembly Croatian Foreign Minister Zvonimir Separovic reiterated an appeal for the West to recognize Croatia and Slovenia as independent and sovereign states. Asked to comment on press speculation that Russian President Boris Yeltsin will receive a Croatian state delegation, Separovic said:

"At his demand, Mr. Direnko, the USSR consul general in Zagreb, came to see me today and informed me about news - about which we are not too pleased - that the Soviet Union is closely following developments [in Yugoslavia], that the Russian Soviet Federated Socialist Republic has urgent tasks regarding the resolution of its own problems, and that at this moment a government delegation visit is out of the question. This is not a rejection, but a postponement. This leaves doors open for a possible invitation to the [Croatian] foreign affairs minister to visit the Russian republic. whether we will visit the Baltic states will depend on the Soviet and Russian side, and whether the Ukraine will express a desire to receive us. The visit to the Baltic states is certainly envisaged to take place soon."

AFP Reporter Describes Vukovar Fighting

AU0409152691 Paris AFP in English 1519 GMT 4 Sep 91

[By Nicolas Miletitch]

[Text] Vukovar, Yugoslavia, Sept 4 (AFP) - Two air raid warnings, artillery shelling until 3:00 a.m., sirens shrieking all through the hours of darkness: the Croatian town of Vukovar had another "normal" night on Tuesday.

"It's been like this every day since August 24, when the Serbs began what they call the battle to liberate Vukovar," the armed porter at the Dunav hotel on the banks of the Danube told an AFP correspondent.

The porter had a revolver at his belt and a rifle down by his desk. Several windows in the hotel had been blown out or cracked by bullets. Crates of arms, grenades and rocket-launchers were stacked on the floor.

The only "guests" were militiamen of the Croatian National Guard, police officers and two AFP journalists who were unable to leave Vukovar in Croatia's Slavonia region because of heavy fighting overnight between the Croats and Yugoslav federal troops on the only road out of town.

As the pounding of Yugoslav Army cannons and rocket launchers drew closer and louder, a power cut suddenly plunged the town into darkness. From nearby villages where the army was operating, blinding flashes were followed by the noise of the heavy guns and automatic weapons.

Croatian forces, close to the railway station and on the banks of the river which at this point marks the border between Croatia and Serbia, fired back with rockets.

The air raid siren wailed a warning to leave one's room and go down to the shelters with a candle to light the way. The flashlamps have been appropriated by the military.

Apparently unconcerned by the alarm, or just too tired to move, Croatian soldiers slept on, wrapped in blankets on the floor between the restaurant tables and on the stairs, their automatic weapons close to hand.

Though Vukovar was cut off from the rest of the world for several hours by heavy bombardment, two surprising details stood out. A telephone reconnected in the past few days provided lines to Paris and Bonn, but not to the Yugoslav capital Belgrade, 150 kilometres (94 miles) to the east.

And a merchant navy ship with all lights blazing sailed serenely down the Danube, as the fighting raged on either side of the river.

Army Unit Surrenders to Croatian Forces in Sisak

LD0309184991 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 3 Sep 91

[Text] An entire unit of about 20 soldiers and officers of various nationalities stationed in the Barutana army warehouse complex in the Sisak suburb of Sisak-Predgradje surrendered this afternoon to the Croatian defense forces. The Army unit also handed over the entire military warehouse complex, with several hundred sets of combat equipment, ammunition, explosives, infantry weapons and equipment, guns, engineering equipment, and vehicles.

Representatives of the Croatian defense force, along with the former soldiers and officers, took down the Yugoslav flag and replaced it with the flag of the Republic of Croatia.

The seized combat, infantry, armored, and artillery weapons and equipment will be used to supplement the National Guard Corps and the Internal Affairs Ministry forces. The former Yugoslav People's Army members, which included several officers and persons on active duty and the majority of the Sisak reserve officers unit have been taken to a safe location. Representatives of the Croatian defense forces pledged to guarantee their personal security and to allow them to go home.

Serbia

Opposition Leader on Acceptance of Peace Plan

LD0409040191 Belgrade TANJUG in English 2210 GMT 3 Sep 91

[Text] Subotica, September 3 (TANJUG)—Leader of the largest opposition party in the Yugoslav Republic of Serbia Vuk Draskovic stated on Tuesday that "Serbia had no reason not to accept the European offer on peace and talks, because here, too, it had an edge."

Draskovic told a press conference in Subotica that the war in Croatia was being waged by the Ustasha group which represents a minority, because the "majority of the Croatian, as well as the Serbian, people did not want and does not want war."

He said it was high time the tragic defeats of Serbs in Croatia were ended. He specified he did not mean military defeats, but ideological defeats of Serbs.

In the current war, Croatia will, in Draskovic's view, be defeated and ruined, but ethnically pure. He added that already some 200,000 Serbs fled their homes in Croatia and that they would most likely never return.

Draskovic said that on the one side it was odd that the Serbian economy [words indistinct] collapse, since, in his view, "if this regime had enough money, it would proclaim war for another 20 years."

Draskovic repeated the earlier stand that his party would not run in the forthcoming local elections as long as all parties did not receive equal treatment in the media.

Croatian Forces in W. Slavonia Retreating

LD0409125691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1103 GMT 4 Sep 91

[Text] Bosanska Gradiska, 4 Sep (TANJUG)—Following a brief lull last night, fierce fighting broke out again this morning near Okucani (120 kilometres east of Zagreb), Nova Gradiska, and Stari Varos.

At the time this report was sent, at about 1230, the fighting was still going on. The Belgrade-Zagreb highway near Okucani is closed to traffic.

A TANJUG reporter says that members of the YPA [Yugoslav People's Army] have been removing barricades and mines planted by Croatian guardsmen and police in Novi Varos, near Okucani.

According to as yet unconfirmed sources, the YPA units are in control of Novi Varos, where strong forces of the Croatian guard and police were stationed over the last few days. Croatian forces are retreating along the highway toward Gradiska and Novska.

According to Serbian sources, the Serbian territorial defense forces are in control of Okucani, Gredjani, Covac, Vrbovljani, Stara Gradiska, Uskoci, and all the villages north of Okucani and west toward Novska.

Sources close to the Serbs in Western Slavonia claim that the Croatian guardsmen and police violated the cease-fire both yesterday and this morning. In its news bulletins today, Croatian Radio blames "the Chetnik terrorists and the Army" for cease-fire violations.

Serbian sources claim that there were no deaths among either the territorial defense forces or the Army. Several people were, however, injured.

Last night and overnight the Croatian forces, according to Serbian sources, attacked Serbian villages and YPA units in the Okucani region with mortar fire.

Croatian media is yet to give more specific details about today's clashes near Okucani.

Fighting in Gospic, Vicinity Not Abating

AU0309161591 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 3 Sep 91

[Danko Peric report]

[Text] Fighting in Gospic and its vicinity is still not abating. Here is Danko Peric reporting from this almost sealed off town:

[Peric] Members of the territorial defense units and armed ethnic-Serb civilians in the eastern part of Gospic and in villages along roads leading toward this hotbed of

war claim that they are sure that the fighting in Gospic is the fiercest seen on Yugoslav battlefields. They deemed last night to be one of the nights in which the most shooting took place. Nobody has been killed, wounded, or injured on the side of the Serbian armed formations.

Last night and this morning until 0550 battles were waged for the (?silo) of the Gospic bakery near which large quantities of goods owned by the Federal Commodity Reserves have been stored. Croatian fighters have been defiantly plundering these goods, in particular the medical equipment that had been entrusted there by the state.

For days, nobody in Gospic has known anything about the fate of as many as 25 Serbs, and people in the nearby village of Raduc are mentioning the names of Lazo Korac and Marko Vukcevic, who are being treated as missing. They have allegedly been taken to Rijeka, but all trace of them has been lost since then.

At least one-third of the town—read, everything belonging to Serbs—has been burned down or destroyed, and there has been noticeable damage to the property of the Yugoslav People's Army, particularly a large residential building that the Croatian fighters were shelling from heavy artillery pieces. The barracks have been completely blocked off, and today we noticed women who had baked bread for the soldiers and were delivering it to the entrance of the barracks' yard.

Shops in eastern Gospic and many Lika villages have been almost empty. One is trying to store at least small quantities of food at other places, outside shops, something we have noticed in Divoselo, where a small emergency [prihvatan] hospital has been started with three doctors and other medical personnel. A real hospital started up in Udbina and it has no personnel problems, because not one of the 100 ethnic Serb medical workers—one-half of all medical workers in Gospic—has been registered as working in the local medical center for a few days now.

Widespread Fighting Reported in Banija, Petrinja

AU0309164391 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 3 Sep 91

[Dragan Bera report from Banija]

[Text] The ink on the cease-fire agreement was not even dry and yet the Croatian army in Banija attacked the positions of the Yugoslav People's Army, which stands between the warring sides, all barracks, and the positions of the Banija Territorial Defense. The outcome of the clashes that took place in Petrinja yesterday and last night is tragic. A soldier, Sulejman Diamani, was killed. So were the reservists Stojan Buncic, Bozo Bjelic, and Dalibor Savic. Ten members of the Yugoslav People's Army were wounded. The losses of the Croatian Ministry of Internal Affairs and the Guard are significantly greater. So far, nobody has said how great they are.

In Petrinja, where the Army responded to the fierce attack by the Ministry of Internal Affairs and the Guard, the situation is extremely confusing. The greater part of the town, especially accesses to the town, are controlled by the Territorial Defense. The units of the Yugoslav People's Army are in the city center. They are controlling access roads to the Samarica barracks. A little bit further away, the forces of the Ministry of Internal Affairs and the Croatian National Guard are to be found. They are securing the access to Petrinja from Zagreb via the village of Brest.

Many buildings in the town have been destroyed through fierce fighting. There is no electricity or water. Telephone lines are down, too.

At today's news conference in Sisak, the journalists who yesterday went to Petrinja accompanied by the Army, and who were, together with soldiers, attacked on their way there, did not hide their bitterness toward such conduct on the Croatian side. Milan Brezak, assistant republican minister for internal affairs, and Ivan Bobetko, head of the Crisis Staff for Banija, apologized. The impression is that the majority of the journalists did not accept the apology and that they saw for themselves who is violating the truce in Petrinja and Banija.

In their statements, the representatives of the Croatian Government went as far as telling the journalists that the Army in Petrinja attacked itself, which caused laughter and confirmed that the Croatian side is choosing neither the means nor the words to justify its own attacks on the Yugoslav People's Army.

Clashes between the Croatian Army and the territorial army around Glina were not absent today either. Fire was opened on the village of Gornja Bacuga from the villages of (?Izusevac) and (?Cvecko), where the members of the Ministry of Internal Affairs and the National Guard are stationed. Fire was also opened on Glina from Hrastovica.

Last night and this morning there were strong explosions in Sisak around the local steel mill and the refinery, as well as in the town itself. Clashes are not subsiding in Kostajnica either, particularly around the village of Slabinja, where the units of the Territorial Defense destroyed one armored vehicle of the Ministry of Internal Affairs. We have learned that there were some casualties, but we do not know how many.

Several strong explosions were heard in Kostajnica this morning. It is assumed that they were caused by mortar grenades. The situation around Sunja and Topusko is not subduing either.

All in all, peace will be difficult to establish on this territory because it is more than obvious that the Croatian side is using the peace agreed upon on paper to launch new attacks on the Yugoslav People's Army and the members of the local territorial defense.

Army Says Croat Units Attack Near Vukovar

AU0309163291 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 3 Sep 91

[Text] The forces of the [Croatian] Ministry of Internal Affairs and the National Guard fired on the unit of the Yugoslav People's Army near Vukovar and at its barracks in the town several times yesterday. This is stated in the announcement issued by the Information Service of the First Army District. The announcement adds that a column supplying food to soldiers has also been attacked. Units of the Yugoslav People's Army have responded with fire. Nobody has been injured among the Army ranks.

The announcement of the Information Service of the First Army District says further on that some media are reporting untruths about these events, that is, accusing the Army of shooting first. All this has been intended with a view to compromising the Yugoslav People's Army after the truce declaration was signed, the announcement concludes.

Reportage on Milosevic's Visit to France

WA0309183791

For Belgrade TANJUG reportage on the visit by Serbian President Slobodan Milosevic to France, including reports on his talks with French President Francois Mitterrand and French Foreign Minister Roland Dumas, please see the France section of the 3 September West Europe DAILY REPORT and subsequent issues.